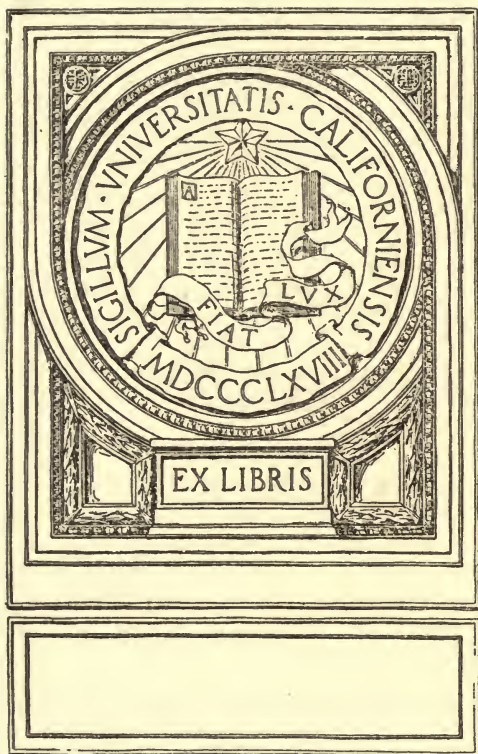


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# Commercial Organizations





# Commercial Organizations

Their Function, Operation and Service

A Compilation of Material from the  
Proceedings of the

*National Association of Commercial Organization  
Secretaries and its Predecessors*

*American Association of Commercial Executives,  
and the Central Association of  
Commercial Secretaries*

With an Introduction by  
Paul T. Cherington

Edited by  
William George Bruce



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## DEDICATION

This work is dedicated to that type of American, so abundantly found throughout the land, who gives unselfishly of his time, thought and effort for the wellbeing of his fellowmen; who, through the medium of the modern commercial body, promotes the economic, civic and social progress of his community; who daily gives expression to the highest aspirations and motives of citizenship; who, through constant interest and concern in his home town contributes a real man's share towards maintaining the prestige, power and prosperity of a great nation.

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## PREFACE

The literature devoted to organized community promotion along economic and civic lines, as exemplified through local commercial bodies in the urban centers of the United States, has been found to be extremely meagre and unsatisfactory. For the most part it has been fragmentary in form and has provided nothing in the way of a comprehensive and helpful treatment of the subject.

With the growing tendency on the part of communities towards material and social progress through collective effort this dearth of instructive literature has become increasingly manifest. The theorist, it is true, has spoken variously and voluminously on the subject, but the man who has travelled the road of experience in this domain has thus far remained silent. At least his voice has not gone beyond a limited range to that larger constituency which stands ready to listen and profit by his counsels.

The lessons afforded by actual service have been exchanged by commercial secretaries in somewhat restricted circles. But, here authoritative voices have enunciated the fundamentals that must be observed, the methods that must be employed, and the results that may and can be achieved. Splendid studies have been made by those actively identified with successful commerce bodies, but their observations and conclusions have thus far remained imbedded in the routine of convention proceedings, and hence have not been readily accessible to the larger class of students in this field of activity.

They have brought guiding principles and policies into bold relief, constructed the organization machinery to its last detail, outlined the mode of its operation, and established the relations that must be observed by the active factors and forces. They have touched the mainsprings of organization success, and created the modern commerce body as defined and interpreted in American urban centers.

The National Association of Commercial Organization Secretaries and its two predecessors, the American Association of Commercial Executives and the Central Association of Commercial Secretaries, have during the past decade produced a

series of documents which constitute a valuable contribution to the helpful literature on the subject. They cover the entire range of commercial organization effort and constitute the first-hand expressions of those who have served actively and efficiently in a secretarial or directive capacity.

Those who have been actively identified with this field of work are not unmindful of the fact that while fixed ideals and standards have been evolved, further refinements and definitions must follow. They are also conscious of the fact that while a solid foundation has been laid, the super-structure is subject to further amplification and such orientation as may express the aspirations and ambitions of their projectors. True progress implies constant and incessant effort in the direction of better things.

In compiling and editing the mass of manuscripts submitted to the editor a line of inclusion and exclusion was rigidly drawn. Many of the earlier manuscripts, although meritorious as such, had in the light of newer conceptions and experiences, become obsolete. The trivial was discarded, the substantial was preserved. Every document was weighed as to its value in giving momentum, direction and effectiveness to organization and secretarial service.

The manuscripts as a whole, however, proved so rich in acceptable material that it was not difficult to select a series of articles covering practically every phase of commercial organization labors. In their entirety they form the first complete and authoritative work on the subject.

There are hundreds of commercial organizations that render service in an intermittent and spasmodic manner, others that have been lulled into a state of lassitude and indifference, and still others that lead an aimless and useless existence and live in name only. These require inspiration and guidance in order to awaken them to their own task and mission.

Thus, it is confidently believed that this volume which addresses itself to those engaged, as well as those desiring to engage, in commercial organization effort, will serve as a stimulus to wholesome community promotion and serve as a helpful and dependable textbook on the machinery and methods that must be employed.

The Editor.

## CONTENTS

Introduction

**PART I.**    Essentials of Efficiency and Characteristic Activities.

**PART II.**   Methods of Organization and Operation.

**PART III.** Qualifications and Self-Training of Secretaries.





# TABLE OF CONTENTS

## PART I

### Essentials of Efficiency and Characteristic Activities

	Page
Introduction . . . . .	15
<i>Chapter I.</i>	
An Efficient Commercial Organization.	
Wm. George Bruce . . . . .	25
The Essentials of an Effective Organization.	
James A. McKibben . . . . .	30
The Commercial Organization in Town or Small City.	
J. P. Hardy . . . . .	34
The Chamber of Commerce in the City of "Average."	
Joseph F. Leopold . . . . .	37
<i>Chapter II.</i>	
The Relations between Civics and Commerce.	
O. B. Towne . . . . .	42
<i>Chapter III.</i>	
Industrial Development by Chambers of Commerce.	
Glenn A. Bowles . . . . .	50
Industrial Development of the Small Town.	
Wm. S. Millener . . . . .	55
The Proper Place of Industrial Development in the Work of Com- mercial Organization.	
Ralph H. Faxon . . . . .	58
What is an Industrial Survey?	
A Student . . . . .	62
Factors in Securing Factories.	
J. F. Carter . . . . .	70
Industrial Survey of the City.	
Emmett Hay Naylor . . . . .	77
<i>Chapter IV.</i>	
Agricultural Activities.	
Major H. V. Eva . . . . .	86
Agriculture and Commercial Organization.	
Committee . . . . .	88
The Commercial Organization Relation to the Back Country.	
Hon. D. F. Houston . . . . .	92

## PART I—(Continued)

<i>Chapter V.</i>		Page
Traffic and Transportation Bureaus.		
Frank Barry.....		99
Transportation Problems—How Shall They Be Dealt With?		
D. P. Chindblom.....		102
<i>Chapter VI.</i>		
Organization Service for Retailers.		
Lee H. Bierce.....		113
<i>Chapter VII.</i>		
Plan for Temporary Exhibitions.		
John M. Guild.....		119
<i>Chapter VIII.</i>		
Conventions and Publicity Bureaus.		
L. H. Lewis.....		134
City Publicity.		
Carl Dehoney and Thorndike Deland.....		139
<i>Chapter IX.</i>		
The Mission of Trade Extension Journeys.		
Wm. George Bruce.....		143
Trade Extension Through Excursions.		
Walter S. Whitten.....		146
Short Trips from a Jobbing Center.		
E. H. Clifford.....		147
Trade Extension Trips—Methods and Results.		
Leroy M. Gibbs.....		150
<i>Chapter X.</i>		
Charity Endorsements.		
Howard M. Strong.....		160
<i>Chapter XI.</i>		
Commercial Arbitration.		
T. C. Huff.....		168
<i>Chapter XII.</i>		
Chamber of Commerce of the United States.		
Merle Thorpe.....		180

## PART II

## Methods of Organization and Operation

<i>Chapter XIII.</i>		Page
Democracy as a Factor in Chamber of Commerce Membership.		
Howard B. Strong.....		193
<i>Chapter XIV.</i>		
The Best Method of Sustaining and Increasing Membership.		
Byres H. Gitchell.....		197
Membership Development and Maintenance.		
G. W. Lemon.....		221
Elements of Membership Conservation.		
Robert B. Beach.....		226
Membership Methods in Small Organizations.		
J. P. Hardy.....		234
Sustaining the Interest of Members.		
James A. McKibben.....		236
Rebuilding an Organization.		
Paul V. Bunn.....		239
<i>Chapter XV.</i>		
Keeping Before the Public.		
Wm. B. Wreford.....		246
Advertising Methods of Commercial Organizations.		
Fred C. Butler.....		248
Promotional Effort and the Public Press.		
Adolph Boldt.....		257
Keeping the Members Informed.		
James A. McKibben.....		260
Organization Bulletins—Their Hits and Misses.		
G. W. Lemon.....		265
Some Dangers of House Organs.		
G. W. Lemon.....		269
News Value in Organization Publicity.		
H. F. Miller.....		271
<i>Chapter XVI.</i>		
Some Problems of Organization Finances.		
Carl Dehoney.....		275
Budgets for Commercial Organizations.		
A. Heath Onthank.....		278
Organization Costs and Results.		
Geo. W. Gillette.....		290
<i>Chapter XVII.</i>		
When to Hold and How to Conduct Meetings.		
Major H. V. Eva.....		301
Conservation of Committee Energy.		
S. Christy Mead.....		306

## PART II—(Continued)

Page

Stimulating Organization Machinery.

John M. Tuther..... 317

The Technique of Organization Administration.

Robt. Wadsworth..... 323

*Chapter XVIII.*

Annual Reports—Their Form and Value.

Don E. Mowry..... 339

*Chapter XIX.*

Methods of Recording Minutes.

James A. McKibben..... 342

Methods of Keeping Records of Members.

Robt. B. Beach..... 350

Forms, Records and Financial Accounts.

Committee . . . . . 353

Filing Systems for Chambers of Commerce.

S. Christy Mead..... 373

## PART III

## Qualifications and Self Training of Secretaries

*Chapter XX.*

The Qualifications for the Secretary.

Wm. George Bruce..... 389

*Chapter XXI.*

The Most Helpful Secretarial Literature.

Roland B. Woodward..... 396

*Chapter XXII.*

What Education is Doing for Secretarial Efficiency.

Prof. Wm. A. Scott..... 408

The University and the Secretary.

Prof. Edward D. Jones..... 417

Conscious Training for Chamber of Commerce Secretaries.

Prof. Paul T. Cherington..... 427

Secretarial Efficiency from the Standpoint of the College.

Prof. Alf. L. Smith..... 430

*Chapter XXIII.*

How to Fail as a Secretary.

Munson Havens..... 435

*Chapter XXIV.*

The National Association of Commercial Organization Secretaries.

Wm. George Bruce..... 450



# INTRODUCTION

## The Field of Chambers of Commerce

### Chambers of Commerce—American and Foreign

By PAUL T. CHERINGTON

The chamber of commerce as it occurs in the United States is not exactly like any type of organization found in any other country. The American type of organization may be best defined in somewhat the following terms: *A voluntary organization of business men approaching the problems of the community from the business angle.*

The three characteristic features of the American organization by this definition are: (1) the fact that the organization is of a voluntary character, (2) the fact that it is dealing primarily with community problems, and (3) the fact that it approaches these problems from the business rather than from the social or any other side. Organizations of this type, in other words, clearly have their roots in the established business interests of the community although much of their work is concerned with what are really civic affairs.

American chambers of commerce clearly are not an entirely new creation. They have developed out of previous types of organizations and while their present activities are not commonly engaged in by European chambers, many of their most prominent features are directly drawn from organizations of quite a different character either in this country or in Europe. For this reason it may be well to look for a moment or two at some of the characteristic features of some of the European types of organizations of business men. It is largely from these that the forms of the American organization came.

### The French Originals of the Chamber of Commerce

The chamber of commerce in anything like its modern form apparently was of French origin. In the reign of Henry IV. in the latter part of the 16th Century, there was established what was known as the Superior Chamber of Commerce of France. This was of the nature of a temporary official commission and

apparently had merely investigatory powers although its field of operation covered both commerce and manufacturers and geographically it was supposed to investigate in foreign countries as well as in France. About the same time the merchants of the City of Marseilles formed an independent voluntary organization for representing the commercial interests of their port. The purposes of this organization evidently were very closely akin to what afterwards developed into the chamber of commerce as it is now known in France. Under Louis XIII, in the year 1616, the General Chamber of Commerce of France was established as a permanent organization under the direction of Richelieu. The powers of this body were expanded in 1664 by Colbert and later in 1700. With this last expansion of the General Council of Commerce there also grew up local chambers of commerce in eleven important commercial centers in France, all of them being established during the first few years of the 18th Century.

These chambers of commerce were all temporarily abolished, with all other corporations, by the Decree of 1791. But shortly afterwards twenty-two organizations, based on the old plan, were formed in the principal cities of France. These have continued to exist in approximately the same form up to the present time although they were considerably modified by subsequent laws in 1806, 1820, 1832, 1851 and 1908.

In brief, the French chambers of commerce are small bodies with not less than nine nor more than twenty-one members, with the exception of the Paris Chamber of Commerce which has forty members. These members as a rule are chosen by the merchants of the community, some of them voting as individuals, while others vote by trades. At present there are one hundred and forty-three chambers of commerce in France and forty-four organizations known as consulting chambers of arts and manufacturers.

Generally speaking, it is the task of these small elected committees of the merchants of the various cities to supervise the public aspects of commercial activities in their vicinity. Wherever there are stock or produce exchanges the chambers of commerce have charge of them. They also issue export certificates, credentials for commercial travelers and prepare lists of produce prices which are issued by the organizations. To a certain extent the maritime laws and regulations in the more

important ports are administered by these organizations. Chambers of commerce moreover may be granted concessions for carrying out public works such as the construction of maritime ports, docks, and inland waterways and similar enterprises. Among the lines of activity undertaken by the French chambers are the operation of all public warehouses, the operation and control of bonded warehouses, the operation of conditioning houses in the textile trade, and conducting of testing stations for arms and ammunition, the loading and discharging of maritime freights, the maintenance and conduct of commercial high schools, the operation of public libraries and reading rooms, supervising or in some cases the actual conducting of telephone service, while a few operate commercial museums.

The regular form of organization for the French chamber includes a president, one or two vice-presidents, a secretary and treasurer. Also there is ordinarily a salaried business secretary and a salaried staff of clerks. Usually the larger chambers meet twice a month although the smaller ones meet less frequently. The local chambers always have free access to the ministers of the government without intermediaries and they are given, by the laws creating them, a semi-official standing which makes them useful in an advisory capacity in relation to the central government at Paris.

In supervising the work of the chambers the Minister of Commerce is assisted by a committee known as the Superior Council of Commerce and Industry consisting of two sections of thirty members each. Thirty-four of the members are appointed from among the presidents of the chambers of commerce while the remaining twenty-six are senators. This body is consulted freely by the government on all matters in which the commercial relations of the country come into contact with the government, such as in the construction of the tariff, and other commercial legislation, in the drafting of commercial treaties and in the drafting of laws concerning emigration, colonization, and kindred subjects. There is a permanent consultative committee of this larger body which is virtually on call at any time.

The French type of chamber is thus apparently a sort of executive committee elected by the merchants of the community having supervision over some of the important commercial activities of the community. It also has direct contact with



the central government by means of the organization made up partly of chambers of commerce presidents and partly of senators.

### Two Types of Organization in Switzerland

The French type of organization has been quite closely copied in Switzerland although the organizations in Switzerland have drawn some of their characteristics from the Guilds Merchant of former times. Some of the Swiss organizations which formerly existed, however, were completely reorganized in the early part of the 19th Century and these reorganizations were closely modelled on the French system.

There are to be found in Switzerland two distinct classes of organizations, those that are entirely independent and those that are organized under state auspices. The independent organizations are more like the English voluntary type of organization and are of a more strictly unofficial character than are those under state auspices. There are seven of those organizations, located at the principal commercial centers of Switzerland, which are directly descended from the old commercial directorates or similar organizations which existed before the general introduction of the French system. These organizations are permitted to charge fees for legalizing certain classes of certificates and some of them are granted subsidies by the cantonal governments in return for expert advice on economic matters.

There is a central chamber of commerce known as the Swiss Chamber of Commerce which receives a subsidy from the central government. This has a total of fifteen members, has its headquarters in Zurich, and its main service is to give advice when required.

The official chambers of commerce in Switzerland are three in number and they are mainly concerned with the conduct of the trades or businesses which are most conspicuous in the regions where they are located. The cantonal chamber at Berne for example has three sections, one for commerce and industry, another for crafts and the trades, and a third for the watch industry.

The Swiss commercial and industrial organization is a federation composed of sixty-two organizations and the Swiss Chamber of Commerce is an executive committee of this body.

An important feature of the work of the commercial or-

ganizations of Switzerland is the maintenance of continuation schools of applied design. A school of this sort, for example, at Saint Gall is operated by the chamber of commerce. The Saint Gall Chamber also operates a savings bank, and other institutions for the benefit of employees of local factories.

### German Official Chambers of Commerce

In Germany it is difficult to draw a line between the commercial and industrial organizations. The three official designations employed with reference to organizations of this kind are (1) the *Fachverband*, which is a group of manufacturers or producers in any one trade or group of trades, (2) the *Zweckverband*, which is an organization of manufacturers or merchants for the attainment of definite ends as for instance discussion of the tariff or important commercial treaties, and (3) the *Zentralverband*, an association of commercial organizations of national scope.

Chambers of commerce exist in all German states with the exception of three of the small principalities. In all there are something like 150 organizations in Germany, 90 in Prussia, eight in Bavaria, eight in Oldenburg, nine in Posen, five in Saxony, seven in Hesse, and from one to four in various other political divisions of the country.

Most of the German chambers of commerce are official institutions, although they show quite a little variation in the details of their organization. Most of the chambers of commerce of Germany are modelled on the French type of organization. In Prussia, for example, the oldest organizations were those in the Rhenish province, ceded to France in 1801. In those regions chambers of commerce were established in Cologne, Crefeld and Treves during the first five years of the 19th Century. A number of Prussian chambers were formed from 1820 to 1825 under the name of merchants' organizations. This is true of some of the large organizations in the Empire. There was another period of activity from 1830 to 1848 when numerous chambers were created. And following the War of 1870 new regulations governing these bodies were passed and many of the chambers were reorganized.

Generally speaking the German organizations are similar to those already described in France although some of them collect trade taxes. In some instances a surtax may be levied

for the needs of the chamber of commerce, these taxes being levied by the municipal and district authorities at the request of the chamber of commerce.

### Voluntary Chambers in England

The British chambers of commerce are entirely voluntary organizations. Unlike the organizations on the continent, the chambers of commerce in the United Kingdom operate with scarcely any government regulation or restriction. Almost any business man in the community is entitled to become a member of a chamber of commerce by placing his name upon the waiting list which is passed upon by a special committee, and in practically every instance membership is purely voluntary. The oldest organization in the United Kingdom dates back to about the third quarter of the 18th Century, and the London Chamber of Commerce, one of the largest of all, was not established until 1881. There are in all about 125 organizations of this kind in the United Kingdom and in most cases they are not particularly important or influential bodies, although in the large towns they have considerable influence.

### The Origin and Works of American Chambers of Commerce

The American organizations are more nearly like those of England than any of the continental bodies. The Chamber of Commerce of the City of New York, in fact, dates its charter back to King George and may be regarded as the connecting link between the British and American types of chamber of commerce.

The chamber of commerce as it exists today in the United States is derived from two separate sources. The first of these was the old board of trade established in many of the important American cities for the purpose of supervising trading activities of one kind or another.

The most common form was the board of trade operating the produce or grain exchange. Notable among these is the Chicago Board of Trade, which, while its by-laws provide for a wide variety of activities, is most commonly known as the supervisor of the chief future-trading board in the American grain trade. Trading bodies of this kind exist in Baltimore, Boston, Minneapolis, Milwaukee, St. Louis, Cincinnati, and elsewhere. In some instances they still continue their separate existence



as trading bodies pure and simple. Still others of them have been merged with organizations having a wider field of activity. In one case after another these organizations, starting primarily as supervisors of trade, found themselves drawn into the consideration of commercial problems of a wider character; and finally they were confronted with the necessity for attacking more or less purely civic problems. In this way what started out to be a strictly trading body found itself sooner or later taking on civic activities involving the development of a constructive community program.

The other type of organization common in this country was the taxpayers' organization of citizens which originally began with the idea of protecting the business men of the city against unduly aggressive activities on the part of municipal authorities, or for protection against some other immediate or remote abuse. Many of these sooner or later developed into what were known as "boosting" organizations which, particularly in the middle west, assumed the function of advertising the merits of the community in all material things. Activity in soliciting industries to relocate in their cities became one of the common lines of work for organizations of this kind, and this or some other similar undertaking soon brought these enthusiasts to see that, if their community were to be pushed in its industrial development or commercial growth as fast as they sought to push it, it must have substantial ability to justify the claim made for it. By this process this type of organization also found itself facing the necessity of working out a constructive community program.

### The Modern American Type of Chamber

About ten or fifteen years ago it became apparent in many of the more aggressive communities of the country that these two types of organization, one of which had started from the strictly commercial side, and the other from something more nearly like a citizens' union organization, were both brought to the same point of intelligent direction in working out a constructive program for the community. Out of this situation grew the modern form of commercial organization whose activities under ordinary circumstances are quite as much civic as commercial.

The definition of this type of organization as a *voluntary*



*organization of business men approaching community problems from the business angle* appears, therefore, to suggest with reasonable accuracy the work lying before the typical modern American chamber of commerce.

It is its task, in the interests of the community as a whole and viewing the problems from the business man's point of view, to take a definite position in regard to public movements and tendencies. The essential features of this attitude toward public questions in the case of all organizations of this type which are skillfully conducted, may be summed up as follows: (1) To interpret wisely and disinterestedly all movements and tendencies in the development of a community which have to do, either directly or indirectly, with the business interests and the civic welfare of the community. (2) To prevent the distortion of any such movements by any other who, either as selfish propagandists, or from any selfish motive whatever, undertake to misuse the powers of the community. (3) To make sure that every movement or tendency of the business life of the community moves along lines of constructive progress.

This program, while it may seem rather general, is capable of being interpreted concretely in the case of almost every conceivable community problem.

To summarize the place of the American chamber of commerce in the community as compared with that of the European organizations, it may be said that in this country the chamber of commerce is the one body in the community responsible to the community at large for the proper business interpretation of civic developments, while in European cities the small committees of business men serve as the official interpreters of all commercial developments for the central government, rather than for the community at large.

## PART I.

### Essentials of Efficiency and Characteristic Activities.



# CHAPTER I.

## Essentials of Efficiency

### An Efficient Commercial Organization

By WILLIAM GEORGE BRUCE

The currents of activity which characterize the American urban centers of population, and which are essential to their material and moral welfare, now include as a fixed factor certain defined promotional efforts. These efforts, while assuming various forms and extending into several directions, have for their ultimate object the achievement of that efficiency, public and private, which makes for better community life in all its essential features.

It has here been asserted that the agencies for such a result or condition are already in existence and constantly at work; that individual initiative and enterprise, the established educational and moral forces, government and law—are all designed to achieve the ends to be attained. Granted that this be true, it still remains for some generic force to give cohesion to the several elements and invest the promotional possibilities of the whole with momentum and direction.

The hopes and aspirations of the community in this direction, and the promotional effort arising out of them, cannot be entrusted to purely private auspices or to public authority. Each travels in its own orbit. The local government is restricted by law to certain functions. The single individual is absorbed in his individual pursuits with its limitations of influence. The scope then lies between the function of the individual and the local government—a collective effort which transgresses neither the power of one or the function of the other.

There must then be a force in which many individuals give a part of their time, a part of their thought and a part of their effort, and each throw into the scales his spare effort and his

influence with those of the others. It is this collective influence, this combined thought and action which must be shaped into an efficient piece of machinery.

Thus, the recognition for concerted action along distinctive lines for the welfare of an entire community has found its best expression in the modern commercial organization.

### The Essence of Promotion

While a discussion on the essentials of an efficient commercial organization must concern itself with the machinery of the same, it must bear in mind the immediate and ultimate purposes for which the same is constructed. In fact, the construction of a piece of machinery must be governed by the uses for which it is intended. It must be simple in mechanism, economical in operation and efficient in production. The machine is only an incident to the product and, therefore, merely the means to an end.

A commercial organization constitutes the machinery through which certain results are to be achieved. Efficiency is exerted in the degree that it performs a service expeditiously and well. The quality of the product or kind of results to be obtained must determine the size, strength and character of the machinery.

We must then deal with the results to be achieved before we can successfully devise the method and manner of achieving them. What are the end and essence of the results to be obtained? The answer is embodied in a few words, namely, in a condition which spells a progressive, prosperous and patriotic community.

### Government and Commerce

The earlier conception of a commercial organization provided for business promotion only. The civic idea was excluded as irrelevant to its purposes. Then came the realization that there is a relation between government and commerce, that the growth of industry and commerce rests upon conditions and environment, which, in part at least, are under governmental direction or influence.

We must all agree that the relation between government and commerce is an important one; that laws and regulations



may protect or injure industrial or commercial pursuits, and that, therefore, statesmanship must be in touch with the course and the usage of business. That being true, it also follows that there is a vital point of contact between the commercial organization and the local city administration, the state administration and the national administration. Statesmanship must not only be in touch with the public pulse, but it must also employ the judgment of business on problems of a purely economic character.

The function of government is to protect and to regulate. It has no special promotional function. But government requires that stimulus which springs from a wholesome public sentiment. The commercial organization must radiate its influence over a wide circle. It must touch government as well as commerce; it must stimulate action, both promotional and corrective, in the direction of efficiency, higher standards and nobler ideals.

#### Economic and Civic Advancement

The mission and purpose of the modern commercial organization is primarily economic and civic in character. All promotional effort in its field falls under these two classifications. They may concern themselves with the commercial and industrial advancement of the community, or strive for greater efficiency in local government, but the basic purpose of all effort is for material and social betterment.

The time when a commercial organization was recognized solely as a promoter of commerce and trade, or of transportation and industry, has gone by. The interrelation between business and government, between industrialism and social conditions, has come into full recognition.

There are those who have more recently come into the work who hold that in the last analysis the sole function of a commercial organization consists of the awakening of a civic consciousness. I combat this idea. The promotion of material advancement is primary and fundamental. It forms the basis of civic progress. At best, the economic and civic efforts must go hand in hand. One contributes to the advancement of the other.

#### Commerce Precedes Culture

It was not until the Phoenicians of old established themselves as prosperous traders that their wonderful art in shaping

the precious metals began to develop. It was not until the merchant princes of Venice brought gold and treasures to their shores, that the art and poetry of its people began to assert themselves. It was when the Hanseatic league brought prosperity to the ports of Germany that the literary and scientific rise of that country was assured. It was during the Elizabethan period when the merchant came into his own, that the poetry and literature of England assumed strength and beauty. It was then recognized that trade precedes culture.

Civic progress then can no more constitute the sole aim and purpose of commercial organizations than can economic advancement. The two are so closely interlinked that their promotion must be simultaneous and reciprocal.

The promotion then of the economic growth and stability of the community is primary and leading. All the higher aims and purposes in our civic and social life are predicated upon material foundations. The family must have an income to meet the necessities of life before the conveniences and comforts can be thought of. There must be bread and butter upon the kitchen table before there can be a phonograph in the front parlor. What applies to the individual family, applies to the collective city.

The American city must find its sustenance in trade, commerce and industry. Out of the fruits of these she must gain that strength which enables her to reach out for higher and nobler ends. A forest of blazing factory chimneys, a row of thriving business blocks, a fleet of laden ships or a train of freight cars precede the construction of a theatre, the establishment of a zoological garden, the erection of a monument, or the building of a fine boulevard.

There must be enough taxable industrial and commercial property before there can be any thought of public improvements. Comfortable homes and their equipment, schools and churches, must first be earned by somebody. The factory, the farm, the office, and the store are the scenes where the hand and brain produce that which makes possible the better things of life.

The very complexities of our commercial, civic and social conditions render all our activities interdependent, one relying for its development upon the character of the other. The



march of progress must embrace all lines of human activities in order to complete and harmonize the efficiency of the whole.

Thus, it becomes clear that the modern commercial organization has a twofold mission and purpose. It must promote the material advancement simultaneously with promoting the civic, moral and educational progress of the community.

### Directing Collective Effort

The modern commercial organization is limited in its usefulness only by its financial ability and the intellectual powers of its executive officers. Its operating assets, like those of any business enterprise, consist of money and brains. This implies a plan of organization that will ensure an adequate revenue and elevate into leadership men of vision, of judgment and of action. The income must be commensurate with the size and importance of the city. The executive family must reflect the best type of citizenship.

The membership must consist of business and professional men who command the respect of the general public. The leadership must be entrusted into the hands of men who enjoy the confidence of the membership. The actual labors of the association must be assigned to the executive offices and committees.

The efficiency of an organization rests primarily upon an accurate understanding of what the city really is and what it may be; its needs and its possibilities, the opportunities for progress afforded through inherent qualities, environment and geographic location.

Second, in agreeing upon principles and policies and in choosing the men that can set them into action, focusing public attention to desirable accomplishment of certain ends and purposes, and in crystallizing public sentiment in their behalf.

### Essentials of Efficiency

In reducing my discussion to fixed conclusions I hold that an efficient commercial organization is one that:

First—In membership and leadership is truly representative of the best citizenship, and reflects the highest impulse and the noblest aspirations of the community.

Second—That holds to principles which recognize the fundamentals of truth and honor; policies which embody consistency, discretion and judiciousness; methods which imply tact, skill, and the exercise of common sense.

Third—That is organized as to a division of duties and responsibilities, the assignment of directive powers and the establishment of principles and policies so as to ensure the largest measure of service.

Fourth—That constitutes itself into a clearing house for the ideas, thoughts and suggestions of its constituency for the community's welfare, subject them to a sifting process, and reduce the acceptable and feasible into form and action.

Fifth—That recognizes expert knowledge and executive power in secretarial service and stands ready to compensate such service in keeping with professional service rendered in other fields of activity.

Sixth—That has a complete grasp of its own powers and limitations, an understanding of the commercial and industrial opportunities and the civic and cultural possibilities of the community.

Seventh—That appreciates the advantage and disadvantage of location, of environment, of physical characteristics; that recognizes errors and shortcomings in the economic, civic and social life of the community; that understands its traditions, tendencies and temperamental peculiarities.

Eighth—That, in the pursuit of desirable ends, has a clear conception of the possible and the impossible, of the obtainable and the unobtainable, the feasible and infeasible, and constantly sees the danger line of overactivity or unwise inactivity.

Ninth—That fearlessly directs and focuses popular attention to gross public evils, and the corrective means to be employed, to desirable and needed improvements to be made, or to advantageous projects to be realized, and

Tenth—That sets about intelligently and energetically to crystallize public sentiment towards the accomplishment and achievement of its ends and purposes.

## The Essentials of An Effective Organization

By JAMES A. McKIBBEN

A good many business men—possibly the majority of them—if they were asked to specify just what you should do in order to make the members of an organization interested in it, would say “make the organization efficient.” “Do things.”

"Efficiency" is the watchword of successful business. The members of an organization can not be expected to have a sustained interest in it unless they are proud of it; and successful business men can not be proud of an organization unless it is doing efficient work.

One of the fundamentals absolutely essential to a sustained state of interestedness on the part of members is, I think, an efficient organization. But, if an efficient organization is one of the things essential to a live and continuing interest on the part of members, it should be recognized that it is only one of the essentials. There are a number of other things just as fundamental.

### Other Things Essential

The primary requisite to sustained interest seems to me to be a realization and understanding on the part of its members of what the organization is and what it is trying to do.

"But," some of you may be inclined to say, "the members of course understand that. That was explained to them when they were asked to join, and they understand it perfectly." My experience has been that not one man in ten, when he joined the chamber, had grasped or understood the fundamental difference between a trade organization and an organization such as most of us represent, which is working for the advancement of the commercial and industrial—and perhaps, also the civic—interests of the community as a whole. My experience has also been that after the management of an organization has done everything it possibly can to bring about an understanding of what the organization really is and is trying to do, there will be at least one out of every ten who does not understand that it is not a trade organization, and who never will.

### Why This is of Importance

And it is fundamentally important that your members should understand that your organization is not a trade organization. The primary purpose of a trade organization is to benefit pecuniarily the people engaged in that trade—and to do it quite irrespective of the effect on people not engaged in that trade. Its success or failure is measured by the extent to which it pushes the interests of each individual member, as a



separate entity from the rest of the community. Not so in the case of the general organization working for the advancement of the welfare of the whole community. Its path of duty may or may not coincide with the path of duty of an organization representing exclusively the people engaged in any one particular trade—it may, in fact, be that the thing which is for the benefit of the business community as a whole, and which it is, therefore, the duty of the general representative organization to work for, is against the interests of some one trade.

The motive, the field of work, the deciding factors, the methods, of the two are entirely different; and the point of view, the attitude of mind, the test by which your member will in his own mind decide whether you are or are not an efficient organization, and the amount of interest which he can be induced to take in work to promote the prosperity of the whole community, will be entirely different, depending upon whether he has the trade organization point of view or the other.

Now, the natural point of view of a business man is the trade organization point of view; and unless he understands clearly and definitely the real field of work and primary purpose of your organization he will measure its success or failure by the trade organization yardstick—and if your members use that yardstick, you are pretty certain to have a lot of dissatisfied, disgruntled members.

And their inclination to take the trade organization point of view is not in most cases, I believe, due so much to a lack of public spirit as to lack of appreciation of the fact that you are not doing business on the trade organization plan.

### An Illustration

Perhaps I can best make clear the essential difference between the two, and the effect of getting a real understanding of the difference, by relating an incident which actually happened in the early days of the reorganization of the Boston Chamber.

One day a rather prominent merchant came to see the president, and said: "I have been asked to join the Boston Chamber of Commerce, and I thought I would come and see you about it. What I want to know is this: I have been trying for two years to get the pavement in front of my store

changed. If I join the chamber, will the chamber help me to get it changed?"

Now, his proposition presented in definite, concrete form, the trade organization point of view, which is that the sum total of the duty of the organization is to help any particular member to get anything done which he thinks will benefit him pecuniarily in his business. I had never heard that point of view stated in such a clear-cut, straight-out-from-the-shoulder way as that, and I listened with a good deal of interest to see what the answer would be.

"Well, Mr. F.....," the President said, in answer, "frankly, I don't know whether we will or not. If you think the pavement in front of your store ought to be changed, and will write me a letter about it, I will see what our committee on municipal affairs thinks about it; but its answer will depend entirely upon whether it would be for the benefit of the people of Boston as a whole to have that pavement changed. In other words, if it is for the benefit of the city as a whole that the pavement be changed, we will try to get it changed; and, if it is for the benefit of the city as a whole that it should stay as it is, we will oppose its being changed; and, as a matter of fact, we will favor its being changed or oppose its being changed just as quickly whether you are or are not a member of the chamber. What you suggest is not what we are in the business for."

And then he spent two or three minutes telling his caller the kind of things which the chamber was formed to promote, and ended by saying that it was evident that in working for the kind of things he had enumerated, the organization would be working to promote the interests of the great majority of business men; that if by working for these things they were promoting without a single exception the private interests of each individual member of the chamber, they would be very glad of that fact; and that if by working for the things which he had named they happened to be working for something which was against the private interests of some individual member, they regretted that fact—but that it was clearly the duty of the organization to go ahead, regardless of that, and work just as hard as possible to get it done. That conversation gives you a clear-cut statement of the two points of view.

And what was the effect on the apparently selfish, grasping, hardheaded business man, who came in so thoroughly imbued with the trade organization point of view? Did he get angry? Not in the slightest. Bringing his fist down on the desk, he said: "By George, that's right. I never understood the idea before. I will gladly join and help." He sat down and signed an application. But that was not all. That man had seen a new light—he had been converted—and he went out and, without being asked by anybody to do it, secured and sent in five applications of other men within a week.

## The Commercial Organization in the Town or Small City

By J. P. HARDY

For the purpose of determining wherein the problems of small cities vary from those of larger communities, and to what degree size accentuates this difference, I have divided the cities into three groups as follows: Cities of 200,000 and over are designated as Class A. Cities of not less than 75,000 nor more than 125,000 as Class B. Cities of less than 75,000 as Class C. Five cities in Class A with an average population of 360,000. Five in Class B with an average of 98,000, and thirty-seven in Class C with an average of 30,000 have furnished the information on which this paper is constructed. Before entering on a general discussion of the subject it will, I believe, be both interesting and instructive to compile and analyze the answers received to the questions.

### Best or Most Unique Achievement

Question No. 1: What is your best or most unique achievement for the past five years?

The answers to this question varied to such an extent as to make it necessary to tabulate them before attempting their analysis.

Answer	Class A	Class B	Class C
Improvement of City government	1	2	9
Securing New Industries			10
Adjusting of Transportation rates		1	5
Campaign for Membership			1
Organized Retail Merchants	1		1

Note:—This paper is based upon a questionnaire designed to reveal characteristic small town activities and the expressions of the small town secretaries.



Answer	Class A	Class B	Class C
Organized Agricultural Development		1	3
Built Public Buildings	1	1	3
Adjustment of Insurance rates		1	
Trade Extension Tour		1	1
Promotion of Chautauqua Exposition of Industrial Show			5
Civic Improvements			6
Elimination Fake Advertising			1
Improvement of Service of Public Service Corp			1
Securing Conventions		1	
Re-organization of Chamber		1	6
Parks and Playgrounds			5
Good Roads			2
Charities	1		2
Extension of Transportation facilities	1		3
Educational Promotion			1

Remembering that one and one only achievement was asked for, it is interesting to note that in answers received from forty-seven cities, twenty distinctive achievements are recorded as worthy of note. It is fair to presume that during our five-year period, embodied in the question, many other notable results were achieved by all the cities who record answers to this question. Some index, therefore, of the ambition and purposes of cities in general may be gleaned from these answers. It will be noted that the size of the city bears evidently no relationship to the importance it attaches to any one of the accomplishments recorded; for those noted by Cities of Classes A and B are also recorded by those of Class C.

Dividing the answers received into three subdivisions, namely, Industrial, Commercial and Civic, we find that in the small cities:

Twenty-one relate to Industrial Achievement.

Four relate to Commercial Achievement.

Forty relate to Civic Achievement.

While one achievement only was asked, some cities recorded two or more, which will account for the fact that sixty-five answers are returned by thirty-seven cities.

### Kinds of Promotion Emphasized

Question 2: What kind of promotion do you emphasize most?

Industrial and Commercial only			2
Industrial and Civic only			1
Commercial and Civic only			3
Answer	Class A	Class B	Class C
All three equally	2	3	14
All three mostly civic	2	2	6
All three mostly industrial			3



	Class C
Civic only	3
Industrial only	3
Commercial only	2
Industrial and Commercial only	2
Industrial and Civic only	1
Commercial and Civic only	3

An analysis of these figures indicates that in all classes of cities the preponderance of effort is laid on civic activities. In the small cities it appears that efforts along one line only, while exceptional, are evidently confined to cities in this class only; larger cities in both Classes A and B are indicated as engaged in all three forms of association activities.

A closer study of the answers to this question shows that in small cities stress is laid on the commercial or industrial phase of association work, as they happen to be located in agricultural or manufacturing localities. The only exception to this rule being in those cities located in agricultural districts, in which the association has interested itself in agricultural development; in such cities surely they may be credited with industrial as well as commercial activity on the theory that every farm is a factory.

### Large Town vs. Small Town Problems

Question 5: What do you regard as the most distinguishing difference between the large and small town problems?

As this question calls for an expression of opinion and not of necessity of experience, I shall not tabulate the answers by classes. So many and varied were the answers that I have concluded to quote from a selection only, as follows:

"Sizes of issues involved."

"Problems larger but not more numerous."

"Benefits more apparent in smaller towns, making it easier to get co-operation."

"In small towns men know one another so well that they often fail to harmonize."

"Work easier in large city."

"More direct service required in small city."

"Large cities have large problems unknown to small cities; small cities many problems which large cities have already solved."

"The large city must employ heroic measures to correct evils resulting from lack of city planning when they were small; small cities must give citizens vision enabling them to prepare for the big city of the future."

"Finance is the difference, the little city usually lacks the big fellow who will invest and await results."

"Problems proportionately the same; finance the little city's difficulty."

"The attitude of membership to organization."

"The problems are largely identical—the machinery for working them out naturally more limited in the small city."

"The knocker's knock is not so keenly felt in large cities as in small."

"Large cities place emphasis on the word *better*—small on the word *bigger*."

"In large cities the association duties are specific and definite, while in the small city they are variable and general."

"The small city problems are more personal."

"In the large cities, that is in cities of say a quarter of a million population or more, the man of large affairs considers himself a permanent resident and citizen of the community in which he lives, and, therefore, takes an active interest in the work of the city's commercial organization. Practically all of his business affairs are in the city in which he lives, and he is, therefore, interested in its commercial progress.

"In the smaller cities, the same type of men do not give the same attention to local affairs and, as a result, the work of commercial organizations in such cities is left very largely to men who cannot be properly classed as commercial leaders. This is due to some extent, I believe, to the fact that the men of big affairs in these smaller cities are more deeply concerned in the affairs of the larger communities near at hand and they consider the civic and commercial problems of their own community too unimportant for their attention. This statement is, of course, not true with respect to every big man in small cities, but it is true with respect to many. As a natural result the large city organization has the advantage of the advice of the most successful business men of the city; men of ripe experience and sound judgment; men who have the means to properly finance the projects which are determined to be for the best interest of their organization or community. The small town organization on the other hand is often obliged to be content with the advice of men of limited ability, experience and means. These men may have large ideas, but they often lack the influence and means through which to translate their words and plans into deeds."

The preponderance of evidence elicited by the foregoing twelve questions is to the effect that the problems of the small city are practically the same as those of the large cities—as far as concerns the problems themselves—the distinguishing difference between the two being, that in small cities the questions of finance and service by organization members is much more acute.

It seems to be pretty well established that the efforts, aims and ambitions of associations in small cities cover the whole field of association work.

## The Chamber of Commerce in the City of "Average"

By JOSEPH F. LEOPOLD

This new city named "Average" was founded somewhere in the United States in July, 1917, and has grown but little since. It is neither an industrial nor commercial community, neither high-brow watering place nor mining camp, but a mix-

ture of all in proper proportion as built from the information furnished by some seventy-seven of the secretarial craft. The city of "Average" is just 19,000 in population and its Chamber of Commerce has an annual income of \$4,100.00, with a graduated scale of membership fee from \$1.00 to \$300.00 per year and about 155 members in good standing.

In other words, "Average" is just the information from small cities over the whole United States ranging from 2,500 to 50,000 population "boiled down." Each of these cities requested for information owns and operates in some fashion a commercial organization. Their organization incomes stretch from \$75.00 per annum to \$75,000 per annum, but the annual income of "Average" is only \$4,100, showing that many of the cities smaller and larger, too, than "Average" are very inadequately financed.

It would be unfair to try to explain in detail what the small town organization could do without first giving a moment to the secretarial wail that comes practically as one voice in answer to the questionnaire citing the small town handicaps as compared with the city larger than 50,000, which, in this statement, is classed among the larger communities. Let us sum up some of the handicaps:

First: The small town usually has New York ideas commercially and Pittsburgh thoughts industrially.

Second: The income is small, the secretary is poorly paid, with but scant office help, if any.

Third: There are no bureaus in charge of expert industrial managers, publicity men, etc.

Fourth: The small town chamber of commerce members usually think in terms of dollars rather than units of community betterment.

Fifth: Small income curtails bulletins, etc., with resulting small interest and consequent poor committee service.

For the sake of convenience, and to skeletonize the mass of information received so that the results might be seen at a glance, the accomplishments are listed under headings in the order of their importance. It is interesting to note the similarity of work and the lines of endeavor most generally attempted; also, a measure of accomplishment in all lines in accordance with the income of the organization, rather than in accordance with the population, location or special type of city.



1. *Retail Work*—62.  
Credit Bureaus,  
Trade Tours,  
Collection Bureaus,  
Buy-at-home Campaigns,  
Dollar Days, etc.
2. *Industrial Promotion*—59.  
By Bonus, etc.  
Helping Local Industries,  
Bidding for New Industries.
3. *Civic Improvement*—44.  
Health and Welfare of Public,  
Parks, Playgrounds,  
Government,  
Public Nursing,  
Rest Rooms, Comfort Stations.
4. *National*—43.  
Largely Red Cross,  
Liberty Bond,  
Garden Work,  
Recruiting,  
Patriotic Demonstrations, etc.
5. *Agricultural—Farm Agent*—42.  
Increased Acreage,  
Better Farming Condition,  
Bringing Farmer and City together,  
Picnics.
6. *Municipal Improvement*—19.  
Water,  
Sewers,  
Buildings,  
Streets,  
City Planning, etc.
7. *Advertising and Charities Investigation*—18.  
Classifying Advertising —  
Eliminating Fraud in Both,  
Federation of Charities.
8. *Good Roads*—17.  
Local Highways, State,  
Main Market and National Highways,  
Permanent Road Building,  
Auto Club Work,  
Signs, etc.
9. *Publicity and Conventions*—15.  
Magazine,  
Newspaper,  
Mail, etc.  
Bulletins, Information Bureau  
Conventions.
10. *Traffic Work*—13.  
Passenger Service,  
Freight Service,  
Freight Rates,  
Claim Collection,  
Auditing, etc.
11. *Special Features*—12.  
Buying Own Home,  
Bringing in Outside Attraction,  
Musical Programs,  
Entertainment of National Figures.
12. *Legislative Matters*—9.  
City,  
State,  
National.
13. *Public Utility Work*—4.  
Traction Work,  
Fights on Gas and Electric Rates,  
Express Rates and Service on All Public Utilities,  
Telephone Mergers.
14. *Surveys*—3.  
Social, Industrial,  
Health, Sanitary, etc.
15. *Employment Bureau*—3.  
Local, State.
16. *Leadership*—4.  
General Work.
17. *Labor Disputes*—3.  
Mine, Factory and Other Labor Troubles.
18. *Financial Work*—2.  
Raising Large Funds for Special Purposes.
19. *Against Industrial Promotion*—  
(Residence Section.)
20. *Get-Together Lunches*.  
Weekly,  
Bi-monthly,  
Monthly, Special, etc.

A hurried glance here shows plainly that five particular activities are uppermost in the small town mind; namely, retail affairs, industrial promotion, civic improvement, agricultural development, and national matters. Municipal improvement, advertising and charities investigation, good road work, special features and legislative matters follow next in importance. In other words, it shows what the town of "Average" is doing and not what it *can do*.

Some of the organization endeavors are peculiar to some particular community, and, of course, are not subject to debate here. The question of labor disputes is also a line of activity that is limited to certain cities and to the whim of fate. Traffic work requires skilled men and extra income. It is desirable and always needed. Employment problems, legislative matters, public utility affairs, various kinds of surveys and special financial work are all subject to certain contingencies of necessity and frequently are not usable lines of activity for a period of a year or even more.

Leadership is never enduring and requires continuous injections of spirit along its hypothetical backbone to make it actual, concrete and visible. Five and one half years of study on my part have made me believe that a chamber of commerce is *constructive* leadership in community matters and that regular, well outlined and prepared lunch programs are the surest and quickest means to the end. With leadership assured, all else is easy. And following come the four fundamentals of community organization activities in a definite way.

Retail affairs are not only important, but are showing vast strides under the capable leadership of intelligent commercial organizations. Retail affairs touch usually the pulse of the membership and the hip pocket of the most influential citizens in the community, and where rests his pocket book, there rests his heart and interest. Trade expansion, credit rating, collective advertising, cooperative deliveries, and other chamber of commerce stimulants have done and will do wonders toward standardizing retail business.

Interdependent with retail affairs is industrial development. Business men are responsible for the usual cry for more factories and the secretary, lucky enough to be hired in a town that some manufacturer wants to get into, is made for life. Factory grabbing has been reduced to a business basis, but is

far from being solved. Small towns especially are reaping harvests in industrial development. The reason is plain and not to be denied. The wise manufacturer wishes to get into new territory with more easily satisfied labor, all other conditions being considered equal. Small cities should and will continue to strive for industrial development. It shows big returns quickly and is the most popular of all chamber of commerce "results."

"Civic improvement" is the wish and desire of all good citizens. Each individual and neighborhood suggestion reaches the wide awake commercial organization. The result is organized activity on a community need and a stride taken in city betterment. The growth in number of parks and playgrounds, the better sanitary and living conditions, public comfort stations and rest rooms, clean city government and an increasing standard of citizenship can be traced in many small cities to the influence of organized effort in community bodies.

Agriculture is the all-important problem of this and every other era of history. Small towns are especially fitted to promote and develop all things agricultural. By getting expert farm demonstrators where none now exist, by preaching the doctrine of better farming conditions, by helping to find markets for crops and labor to harvest them, by relieving the farmer's mind of the bogey that all urban dwellers are crooks and instilling a feeling of dependence in the agriculturalist—much has been accomplished for the farm and farmer, and the end is not yet. Most of the credit is due the small town and much to the small town chamber of commerce.

Such work is the work in the small town. Such is the activity of "Average." It is good, but not good enough. We need more money to spend and more for full time, trained secretarial executives. We can't blow hot and cold. We can't practice law and run a chamber of commerce. The secretary of "Average" is only about half-trained. He's still part insurance man, lawyer and newspaper man. Yet he has done wonders.



## CHAPTER II.

### The Relations Between Civics and Commerce

By O. B. TOWNE

Text books on civil government define civics as applying to those laws, methods and systems which administer the affairs of government. In a more technical sense the definition refers to the governmental and judicial functions of cities. Usage, however, has measurably broadened the meaning of the term, especially since the development of the commercial organization idea. Dictionaries of standard merit accept the broader interpretation, and the definition now includes altruistic and welfare work and the humanizing of commerce, as well as civil government.

We accept the theory of the definition, but in meeting the civic and commercial requirements of the day, we find actual limitations and danger lines which puzzle even the most analytical mind. Where does civic work leave off and commercial work begin? Where does commercial work leave off and civic work begin? Where does civic work leave off and politics begin? Is there benefit accruing to the others when emphasis is placed on any one of the three? What are the opinions of secretaries and other business and professional men, who have been long in the field? What are the facts?

A city reflects the ideals of its citizens. This is true in commerce as well as in civics, although it will be more apparent in civics. The standards of community life are boldly imprinted on every department of community activity.

It is true that many communities have developed and grown rich without paying the least attention to civics. But a community without civic development remains at a standstill and commerce will eventually blight, if not decay. Commerce may make civic development possible in a pronounced degree, but civics in return makes commerce human instead of mechanical, thus making permanent commercial progress possible.



In speaking of commerce we have three things in mind. First, manufacturing; Second, distribution; Third, community values.

The hardest thing in commerce is to find the man who can most successfully manage the affairs of industry. But, there are those who can. Their experiences in civics are interesting in the extreme. They have learned that it is commercially profitable to keep machinery well repaired and protected, rather than to neglect it and when it thus becomes useless, replace it with new. They have also learned that it is commercially profitable to protect the factory employee, to keep the quality of his efficiency at a high degree, rather than to drive him to the breaking point and then replace him with the untried and the untrained. But it takes a man with a mind and spirit tuned to the civic idea, to see this and to profit commercially thereby.

It has proved true that an employee who is well fed, who lives in decent sanitary surroundings, with the beautiful in nature and art to encourage and inspire him, will turn out more perfect work, more of it and with less wear, tear and waste, than will an employee, whose surroundings engender low ideals of honesty, poor health, immorality, debauchery and otherwise impaired ability to render even fifty per cent efficiency in service.

Important problems of manufacturing are contentment, health, clear minds, skill and efficiency among the employees. Those business men who have made the experiment show, by the increased output of their plants, that there is net profit in emphasizing the civic end of industry.

In Germany, civic effort is a great feature of community life. Dusseldorf business men, cooperating with the city government, previous to 1913, contributed \$64,000 a year to parks and \$110,500 a year to theatres and orchestras, in order that the people of that city might see and hear the best in music and the drama for their inspiration and thinking, and not be compelled to seek pastime in cheap beer gardens with debauching entertainments amid degrading surroundings. And a business man of Dusseldorf said in 1913, when speaking of this remarkable fact, "It is a business investment which yields net profits to the manufacturers, and to industry."

We find the same condition true in Frankfort, Munich, Cologne, Hanover, Mannheim, Ulm and many other cities in

the German Empire, as well as in many cities of France, Italy, Belgium, Sweden, England and Austria.

In all the European cities mentioned great attention has been paid to housing conditions for the employees, for the very obvious reason of keeping them in good health, in pleasant surroundings and in a contented frame of mind.

An enlightened, well-housed, healthy, and a mentally, morally and physically clean buying public, with an eye accustomed to the beautiful in nature and in art, is going to buy better goods, and do it more intelligently, than will a public of the opposite status. Not only will it buy better, but it will buy more, because less will be squandered for the degrading things of life. The market for the retailer will, therefore, be more desirable and more secure. Civics will also mean net profit to him.

But what of community values? Property values are determined by two things—commerce and civics. The business location and business utility of a piece of property determine, to a very large extent, its market value. But civic improvements, such as parks, boulevards, schools, civic and commercial centers, good fire and police protection, improved streets, sewer and water, gas and electric lights will increase the value of that same property, many times. This is especially true of residence property, for the elements of convenience and environment have greater influence on the value of residence property than business property. The effect in all instances is direct.

Concerning the extent to which a commercial organization may legitimately interest itself in civic affairs and the dangers encountered in this work, a vital consideration is the nature of the commercial organization. In some of the older eastern cities, the commercial organization devotes itself almost entirely to commercial matters, to the exclusion of civics. This is due, largely to the age of the cities in question, together with the fact that the commercial organization in its present status is of comparatively recent origin. Many of the older cities of the east have had purely civic organizations for many years. These are sectional, for a single civic work, for the permanent beautification and maintenance of specific residential districts, or for community wide improvement. The board of trade, from which the present commercial organization has sprung in these same cities, was purely a commercial body and has not been tolerated in the civic field.



The dangers to any voluntary organization, such as is the average commercial body, are from an internal rather than from an external source. Its main problem is in keeping its membership intact while it establishes itself in the community. Dangers from without usually serve to knit, more closely together, the component parts of the organization.

The reason for and strength of a commercial organization lie in its ability to serve the community. The only danger which need be considered is that which impairs this ability. The danger, although it may come from many sources, is but a single danger—internal disruption.

A commercial organization must avoid participation in religious controversies; it must not take sides in keenly partisan political campaigns. It must avoid advocating the cause or candidacy of any individual or group; using its influence exclusively for the commercial interest of an individual or group of business men; interfering with or opposing, directly, officials of constituted authority; any tendency toward exclusiveness; technicalities; taking sides in capital and labor controversies; taking credit for the work of other organizations; interfering with or openly opposing the operations of old established civic bodies; being impractical, shallow and unprepared in its civic promotional work; allowing politics, religion or factional interests to creep into the organization and influence its conduct and the election of its officials.

The manner in which questions of principle may bring the commercial body too near the danger line of politics, the actual status of the organization in the community will be one factor, and the relation of the principle in question to the commercial and civic activity of the body will be the other. The status of the organization in the community must be constantly maintained and improved. The same thing is true regarding the commercial and civic activity of the body.

"Public questions of principle," according to Mr. Bowers, of Jamestown, "are the very elements of political platforms upon which men differ, and in that possible difference of opinion lies the danger to commercial organizations."

William George Bruce of Milwaukee, on the other hand, writes: "Political parties have their adherents; candidates have their friends. Both adherents and friends may be members of the commercial organization. To exert partisanship

here means to invade the field of practical politics and the domain of opposing political parties and organizations."

Questions of principle touch a community when they treat of governmental safety, justice, commercial equity, humanity and posterity. When public questions become any less broad in their scope they pass into the twilight zone and cease to be questions of principle.

Many differ over the line of demarcation between civics and politics. To me, it appears that the purpose for which the commercial body is formed has a great deal to do with this whole matter. A commercial organization has as its general purpose service along commercial and civic lines. It has no legally established position in the governmental affairs of the community and, therefore, may not trespass on those grounds with impunity, except in the spirit of service to commerce and civics.

The policy of the useful commercial organization must be constructive in every sense. To be constructive, it cannot be partisan even in the slightest degree, for partisanism strikes at the one vital spot in the organization—internal cohesion, and implies a destructive policy towards the tenets of its opponents.

Mr. Bruce of Milwaukee, says, "The line of demarcation between civic activities and political activities, drawn by commercial bodies, must lie between ante-election campaigning and post-election cooperation, between selfish partisanship and unselfish non-partisanship, between party preferment and community progress and welfare."

While this is true, it does not go far enough. In the words of Lucius Wilson of New York, "The duty of the commercial organization is to teach the people to think." He did not say think rightly. If he had, he would have assumed that someone in the community knew which was the right way to think and had the authority to dictate. No one may dictate unless so authorized by the law or by the people. No one is so authorized in the commercial organization.

The line of demarcation between wholesome civic activities and dangerous political controversies lies in the attitude and conduct of the commercial body itself when dangerous political questions are involved. In wholesome civic activities, the organization is seeking to serve the whole community along



the line of civic and commercial affairs. If the organization is impartially constructive in the assistance it renders the public to help that public solve each problem on its merits, it can go to almost any extent in its activities.

The phases of commercial organization work which come entirely under the head of civics are numerous. To a well balanced and wisely governed commercial body the field for civic activity is very broad. Much of it, however, comes under the head of commercial civics, for it has to do with those phases of governmental and humanitarian effort which increase or decrease the profits of commerce.

The line of demarcation between commercial and civic affairs is not so difficult to define, even though civics has a great influence on commerce. J. P. Hardy of Fargo, believes "it is parallel to the line that marks the difference between policy and administration." He gives this definition with special reference to the science of government. Mr. Bruce of Milwaukee, enlarges the scope of this definition, however, when he writes: "The line of demarcation places pay-roll and profit on one side, and the physical and moral well-being of the community on the other." Mr. Gumm, of Fort Worth, sums it all up in one word. "Dividends." Mr. Nelson of Binghamton, says: "Business Profits."

To my mind the line of demarcation may be found by determining the direction of the activity. Is it toward, or is it away from commerce? If the direction of the activity is toward commerce, either directly in trade promotion, increasing dividends, transportation of freight or manufacturing, or indirectly in the improvement of streets and housing conditions and building good roads, it may be said that the activity is purely commercial. If, on the other hand, it is humanitarian welfare work, and does not touch commerce either directly or indirectly in matters of business, nor affect commerce even through civil authorities, it may be said to be purely civic.

But how about those commercial organization activities which may not belong to either class? There are exceptions to all rules, of course, but it is a question whether the number is very large and also whether a detailed analysis of the ultimate purpose and effect of the activity would not determine pretty accurately the exact direction of it as regards commerce.

There is general unanimity of opinion among secretaries

regarding the dependence of commercial success and progress upon good government, but the extent of that dependence is variously estimated.

Mr. Bruce of Milwaukee, says: "Good government means to afford that freedom of action and that protection to life and property which enables the merchant, the manufacturer, the mechanic and the professional man each to perform his allotted part of the world's work."

Howard Strong says: "Good government generally means an all-around square deal for everybody."

The reason for government in the first place indicates a certain degree of responsibility for the success and progress of business. Governments and laws are established primarily that the right to life and livelihood may be enjoyed in a reasonable degree of peace and security.

The commercial organization is composed of volunteers with a wider common ground of understanding. The membership is made up of business men with a common purpose and, hence, with a wide field of common interests. This organization is not established by law for administrative purposes. It represents the collective citizen in thinking out and promulgating plans, methods and projects for today and for future generations. When it speaks it can only speak in an advisory capacity, in so far as the city administration is concerned, and when it acts it can only act in a cooperative capacity. It can only guide, direct and lead the people in their progressive thinking and assist them to co-ordinate their efforts to secure justice and equity while solving the problems of the times and place.

In discussing the possibility of the commercial organization being drawn into legislative matters of city, state and nation, two things should be considered: First, who will specifically set forth the business and civic needs of our community as a whole, if the commercial body does not? Second, should the general civic and business interests of the community sit calmly back and leave the laws, which vitally affect their affairs, to the judgment of the legislators, who as a rule, are from small communities, when in the halls of legislation, of city, state and nation, private interests, private institutions and special organizations are rampant, seeking favors and special privileges?

Commerce has been the football of politics almost from the

founding of the government. It has been the party issue in almost every national campaign for a century. Few business men have had a word to say about it all. Business men should have something to say in the affairs of the state and nation. They should have more to say about the real business end of the local government. Commerce and civics, which every effort is being put forth to improve—should be heard from, directly, when laws of vital importance to both are to be enacted. They should be represented at the hearings and conferences, but more especially, they should be represented in the membership of the legislative body itself.

Good civic conditions and good citizenship advertise a community. The greatest source of desirable publicity is a citizen who is in love with his city and has tangible reason for that affection. Not only does it advertise his community, but it advertises the community spirit of the place. It advertises its industry, its general business affairs, its community life.

There is one other consideration on which too much emphasis cannot be laid. A community, in whose development special emphasis has been laid upon civics, is loyal and patriotic to itself, to the state and to the nation. The very nature of the civic work done proclaims that fact. There is the ideal to defend; there is the contented home life to protect; there is the organized whole to uphold. All these have their commercial value. Although they do not appear in figures in the final balance of the average commercial institution, who can say that there is in them any less commercial value because of that fact?



## CHAPTER III.

### Industrial Activities

#### Industrial Development by Chambers of Commerce

By GLENN A. BOWERS

The effort of commercial organizations to attract industries to their cities is almost universal. Three broad groups of members in particular concern themselves with industrial development activities; retailers who are interested in an increased purchasing power of the city; manufacturers who are aware of the advantages which result from the concentration of a large number of industries; and general members who look to a larger, more prosperous and more active city. Because of these interests, commercial bodies have for many years made efforts to attract new industries and to assist in various ways industries already located in the cities which they represent.

The broad policies of industrial development, unless determined in an arbitrary manner, rest upon a knowledge of industrial conditions. To acquire this knowledge, common practice has had to undertake a comprehensive survey of all social and economic factors which affect industry. Some of the points which it has been found profitable to include in a survey of this kind are outlined very briefly in this paper. The policies which organizations have followed may be put into two groups: (1) The creation of conditions favorable to industries, both those already in the city and those which may be induced to come; and (2) The offer of special inducements to new industries. Offers of special inducements are given especial attention herein, with only casual mention of those conditions which favor industrial growth.

#### Industrial Surveys

Industrial facts which would be of value in one city might naturally be unimportant in another. The detailed outline of a survey must, therefore, be left for local determination. In general, however, an investigation of this sort might include such subjects as are listed under the following principal groups:



1. Existing industries: Nature, number, output, etc.
2. Market possibilities: Quantity and kind of manufactured material shipped into vicinity, quantity and kind of unfinished products and raw materials shipped elsewhere for further manufacture; determination of accessible markets, extent to which accessible markets have been developed, location of competitors, etc.
3. Raw materials: Cost, length of haul necessary, kind produced in vicinity, etc.
4. Transportation facilities: Number of lines, distances to markets, rates, traffic bureau organization and work, terminal facilities, warehouses, means of transfer, etc.
5. Environment: Nature of industries, efficiency of city government, character and supply of labor, housing conditions, educational institution, etc.
6. Manufacturing costs: Power, labor, raw materials, etc.
7. Banking facilities: Number and size of banks, nature of investments, extent of local market for industrial securities, etc.

### Two Types of Organization Activity

The two broad policies adopted by organizations to attract industries, as was suggested above, apparently turn upon this question: "Are your efforts confined to the creation of conditions favorable to industries?" In some organizations, the policy is to confine their activities, either entirely or practically so, to the creation of conditions favorable to industries. On the other hand, many organizations have adopted the policy of offering special inducements to secure new industries. Other organizations make no effort whatever to attract new industries.

Those organizations which confine themselves to the creation of favorable conditions do so largely on the ground that industrial growth depends upon fundamental economic conditions, regardless of special inducements and artificial conditions. Those organizations which offer special inducements do so for one of two reasons: (1) They believe that industries may honestly need aid, financial or other, in order to develop or expand, and that money spent to aid these industries will be returned indirectly through improved business conditions; (2) Although they may disapprove of the principle just stated, they feel that it is necessary for them to follow the practice in order to compete with other cities which give such inducements.

### Creation of Conditions Favorable to Industries

"Conditions favorable to industries" appear to be corollary to those groups given above in outlining a general survey. Ac-

tivities aimed at the creation of more favorable conditions may, therefore, be grouped as follows:

1. Efforts to diversify industries by promoting improved local conditions.
2. Improvement of marketing conditions by advertising, by attracting trade conventions, by entertainment of buyers and providing facilities for display to buyers, by broadening market through better freight and express service, etc.
3. Improvement of raw material conditions by making possible increased production in vicinity, by providing adequate storage space, by giving attention to freight rates, etc.
4. Improvement of transportation facilities by establishment of adequate traffic bureau service, by providing adequate terminal facilities, warehouses, good street conditions, etc.
5. Improvement of civic conditions, housing, schools, entertainment, reasonable food prices, efficient management of physical plant of city, etc.
6. Lowering of manufacturing costs by development of cheap power, by providing expert advice for managers, by developing industrial tracts in convenient relation to railroads and city, etc.
7. Improvement of banking facilities.

These are activities which organizations have undertaken in efforts to improve local conditions. The list is by no means complete and is intended merely to be suggestive.

### Offer of Special Inducements to New Industries

Many kinds of special inducements may be offered to prospective industries. In general, however, they may be placed into six main groups: Bonuses, cash and indirect; credit guarantees; secured loans; loft buildings for small industries; and stock or bond purchase.

*Bonuses: Cash.* A cash bonus is merely a payment of money to a concern in return for locating its plant in the city offering the bonus—in other words, the city buys the industry from which it expects to get an indirect profit. This practice has had extensive use in the past but is now in disfavor in most organizations.

*Bonuses: Indirect.* The plan of giving indirect bonuses in the form of free sites, tax exemptions, moving costs, free rents, low water rates, etc., is the same in principle as the cash bonus plan, but apparently differs considerably in application. Free sites is the most popular form of indirect bonuses. In some instances the gift is made directly by land owners or real estate operators in the expectation of increased values accruing to land adjacent to newly developed areas. Donations of land

may, therefore, be more freely secured than an outright gift of money to a factory, or credit endorsement and stock subscription in which the return is less certain and the benefits more remote. Tax exemptions are granted in but few cities.

*Credit Guarantees.* Much criticism has been directed against banks for their conservative policy toward industrial loans. One reason for this conservatism may be the lack of expert knowledge about industrial management on the part of bank officials. It is not the practice in this country, as it is in Germany, to have among the officers of a bank a man skilled in industrial affairs. In a number of cities, commercial organizations have attempted to supply this expert knowledge to banks and to offset all other objections to industrial loans by guaranteeing to banks loans made to approved industries. Typical provisions of this plan are:

1. Subscriptions for specified amounts are made with the understanding that losses suffered will be prorated among the subscribers.
2. From 10% to 20% of the amounts subscribed shall be paid in to form a contingent fund before the plan begins to operate.
3. Subscriptions paid in shall be deposited with banks which agree to make loans to industries upon approval of duly authorized representatives of the subscribers.

*Secured loans.* In most cases of credit guaranty, the subscribers are secured to the extent of the physical assets of the concern aided. Organizations may, however, extend credit to industries direct, with or without credit. The results of a questionnaire here show that while some organizations offer special inducements, a larger number grant loans to industries only upon security. A few organizations grant loans without security. The plan is simple and further comment is not necessary.

*Loft buildings for small industries.* In a number of cities in which desirable factory space is limited, loft buildings have been financed by commercial bodies or by associations formed among their members. The aim of these organizations is to provide buildings equipped with modern industrial appliances for the use of small industries which could not otherwise obtain such facilities. In many cities, even antiquated factory space is difficult to find. Without adequate factory space it has been hard to secure new industries which could not afford to construct and occupy an independent plant.

This activity is not necessarily a "special inducement."



In some cases, it may be more properly the "creation of conditions favorable to industries." However, the facts that private capital has not provided such facilities and that commercial organizations have been forced at times to finance the undertaking, warrant the mention of loft building construction as a special inducement. It is the usual practice to charge a reasonable rental for space in these buildings, to cover all expenses and yield a fair rate of interest on the investment.

*Stock or bond purchase.* The final group of special inducements includes the purchase of stocks of new industries, or of established industries seeking to expand. Some organizations offer special inducements, others purchase stocks or bonds in concerns which show promise of success; some approve legitimate stock issues to citizens after investigation, others refer stock issues to citizens without approval. Again a number of organizations will have nothing to do with stock or bond propositions but attempt to secure new industries through other special inducements or economic advantages.

The industrial enterprise must be independent of the commercial body but close cooperation may exist between them. A selected group of men should be charter members. "One of the fundamental essentials to the success of a financing plan is that the unit of efficiency should be kept in mind in selecting the members." The following requirements should be insisted upon:

1. Members should be financially able to assist in the underwriting of enterprises endorsed for promotion.
2. Members should be prominently identified with industrial or other enterprises in the city.
3. Members should understand and be in full sympathy with the plans and purposes of the company.
4. Members should be willing to contribute time and judgment to the investigation of projects which the board of directors approve as worthy.
5. Members should have experience in some field of activity that will enable them to assist in determining the advisability of promoting any enterprise under investigation.

Prior to investment in an industry the board of directors shall first decide whether a project is worthy of investigation. The board then appoints a committee of members especially qualified to make the investigation. Members receive just compensation for their services. If it is deemed advisable, expert services may be employed by the board to assist the committee. Incidental to the work of the company, a thorough survey is to



be made of the city and vicinity to secure a complete analysis of every industry, including full data as to its sources of materials and its products.

## Industrial Development of the Small Town

By WM. S. MILLENER

Notwithstanding the fact that many of the foremost thinkers in commercial organization work hold that commercial bodies should give first consideration to civic improvements, and less attention to trying to secure new industries, the fact remains that the average commercial organization in the small town still devotes considerable time and effort to securing new industries.

In order to learn something of the methods and progress of other towns, over 100 questionnaires were sent out. The data upon which this paper is based was secured from the replies received from eighty-four secretaries, located in towns ranging

*Editor's Note:*—No subject which has come within the range of commercial organization effort has received greater attention than that which deals with the securing of new industries. At the same time no subject within the range of organization purpose has undergone greater modifications.

"We want new factories!" was the sole slogan of many of the commercial organizations a decade ago. Many were organized for no other purpose, and secretaries were employed for no other duty than to secure factories. Their tenure of office depended upon the measure of success they attained.

The offers of bonuses in the way of sites, buildings, stock subscription, remission of taxes, etc., etc., were of a most generous nature. The reaction, however, set in when the failures by far outnumbered the successes. It was then discovered, too, that the success of an industrial enterprise involves more than bonuses, gifts and exemptions.

It was learned that a manufacturing enterprise must take into consideration accessibility to raw materials, facilities for distribution of the finished product, and an adequate supply of the right kind of labor. And above all things, the business management must be capable and honest. Much money has been sunk in enterprises where one or more of the elements here enumerated have been lacking.

While the average commercial body is no less ambitious to secure new industries, it has become more circumspect in securing them. It no longer makes factory getting the sole object of its existence or employs a secretary solely for his factory getting ability. It inventories its own conditions and environment, measures its opportunities, and establishes more nearly the class of industries that could thrive within its borders.

The commercial organization of today has also come to the realization that the first essential is to make the city worth while as a place to live in. The schools must be good, the streets clean, the drinking water pure, the parks attractive, etc., etc. The city must be sanitary, afford recreational facilities and public utilities if labor is to be attracted.

in population from 10,000 to 100,000, and scattered over thirty-two states. The average population of the towns reporting is 59,252, having commercial organizations averaging 641 members, and an average income of \$14,406.00.

### Industrial Committee

The answer to the question "Do you have an industrial committee to investigate and negotiate with prospective industries?" indicates that, almost without exception, these towns refer the investigation of industrial questions to a standing committee. Answering the question "Do you have a guarantee fund?" 71 towns answered "No." One town answered "Planning to have such a fund."

Williamsport answered "No longer. Guarantee fund abandoned."

Williamsport was a pioneer in the guarantee fund movement. When this plan was first devised it was thought by many that at last a way had been found to solve all of the problems of substantial industrial growth of both established and new industries. Since this plan was devised in 1900 and abandoned in 1914, after having been copied or modified by a number of cities, it may be best to briefly refer to it, and the reason for its abandonment.

The Williamsport plan was essentially a subscription of credit by responsible local business men. Under this plan, the local banks agreed to furnish money to such industries as might desire to negotiate a loan on the endorsement of three attorneys-in-fact, representing the subscribers to the fund. Subscription contracts to this fund ran for a period of five years. Copies of the contract and certificates of the action of the subscribers in electing the attorneys-in-fact were filed with the banks, and the attorneys were authorized to endorse for the whole, or any part of the fund.

Before such endorsement was made, applications by borrowing firms for aid were required to be approved by the directors of the board of trade. However, the attorneys-in-fact had the power to refuse the endorsement, even when it had been approved by the directors of the commercial organization. If, at maturity, the applicant failed to meet the obligation, the subscribers to the fund were supposed to pay the amount due, each subscriber being liable for a pro rata share only, of the indebtedness.

This guarantee of credit was conservatively given, and when given was protected by sufficient security, so that with but a few exceptions there were no losses. The few losses that were sustained were paid by a few wealthy men, usually members of the board of directors, and there was never any assessment on all of the subscribers to the fund.

In this city, credit was only extended to industries that found some difficulty in negotiating a loan from a bank. The result was that the credit of any concern so helped was materially injured, and it was more difficult for it to secure accommodations from local banks without the same sort of endorsement. Believing that ultimately it was detrimental rather than helpful to the manufacturer who secured a loan under this plan, the same was abandoned.

Commercial organizations are business concerns, and the same tests of good business should be made to apply. It is a question of bargain and sale, securing the goods, if they be needed, at the best possible terms for your city.

The only way that a commercial organization can be of assistance to established industries is to provide a business atmosphere in the whole community that will produce general conditions, such as stabilizing labor, which, in turn, will provide the opportunity for industrial growth, if the industry is well placed and capably managed.

### Small Town Development

In the final analysis of industrial development of the small town, whether it be in making conditions favorable to industries or in offering either direct or indirect special inducements, the greatest factor for success is the standard of the human element back of the movement. Every movement needs its leader, its optimistic, determined, public-spirited man with a vision, who will give freely of his own time and influence others to give of theirs, working for the good of all. Such is the work of our commercial organizations, the building of men and interesting them in all the ramifications of community betterment and industrial development.

There is no set rule which can be laid down for the guidance of all, but the conclusions reached in studying this question are:

1. That it is unwise to offer a cash bonus to secure the location of an industry.



2. That desirable factory locations on one or more railroads should be controlled, either directly or indirectly, by the commercial organization, to prevent undue land speculation and the retarding of normal industrial growth.
3. That commercial organizations, either directly or indirectly, should provide suitable facilities for small manufacturers in a loft building or industrial building, that could be sub-let at a reasonable rate, having all the conveniences of low power, shipping facilities, etc.
4. That the possession of a fund for investment in industrial securities is no guarantee of wise industrial development.
5. That more thought should be given to ways and means that make it possible for established industries to grow and expand, than should be given to efforts to secure the location of new industries.
6. That when the best conditions for manufacture and the proper housing of employees of established industries are sufficiently developed, new industries will seek you, rather than you having to seek them.
7. That satisfactory industrial development will come to every small town when these things have been done, for, in the doing of them, the human elements, organization and cooperation, will have been brought to the highest point of development, and all community problems may be solved with despatch.

## The Proper Place of Industrial Development in the Work of a Commercial Organization

By R. H. FAXON

Cities do not grow—they are made! And yet, industrially, there are notable examples of cities which have not been made, but have grown. There are cities where every natural law of industry has apparently been violated or has failed to work. Such cities are fortunate indeed, and yet they do not disprove the rule. They are, rather, the exception. There is, for instance, no special reason why Battle Creek should be a cereal center; Detroit a motor center; Grand Rapids a furniture center; or New England the center of the textile industry or of shoes. Yet the last-named examples emphasize the more greatly the rule that cities are made and do not merely grow. But that the supply of material is an overwhelming incident, is illustrated by the growth of the textile industry in the South, where cotton grows, and by the shoe industry in St. Louis, near the leather-production center.

Therefore economy of location and proximity to raw materials do not always determine the location of industry.

As a premise, the five things that really count in industrial work, or factory location, are: Labor, transportation, materials, money, and market.

Labor is the element often considered most important. A labor market has in the past been deemed essential to successful industrial development. Yet it may be accepted that, outside of certain peculiar or isolated cases, labor will go where industry begins its work.

Transportation is an important factor, yet not an absolute essential. We find, on analysis of conditions, that Grand Rapids still remains an important furniture center, despite the almost total lack of Northern timber and the distance from which it has to secure its supply. Massachusetts, far removed from hides and leather, save by importation under more recent legislation, continues to specialize on the shoe and leather business; and its raw materials of cotton are a long distance from the place of production.

Transportation also takes into consideration the haul of the finished product as well as the raw material; but in this era of intensive development surrounding so-called "centers;" with the existence of successful tariff, freight, or transportation bureaus, jealously guarding the territory of these "centers;" and with national advertising creating a countrywide if not international demand for many products, the distance the product has to go is found to be no insuperable barrier.

We next come to money outlay. Included in that is capital, most important, and its procurement; the question of salaries and wages, matters of taxation, including war and other governmental revenues and taxes; credits, and the amounts necessary to procure materials and to equip industrial institutions. A further treatment of this essential will be found later.

As to market, the world is the market of any staple product. There is little barrier. Coming myself from an inland city, small in comparison with the great industrial centers, undeveloped as it is industrially, and not known to fame as a manufacturing community of renown, I could name you at least a half dozen products which go to not only the length and breadth of the land, but into foreign countries as well. How much more marked this is in a hundred other communities!

### The Man and the Market

Into the term "market" go many things, which include production, sales, advertising, management, etc. Without these, the word "market" is not embrasive. And here, again,

we find the importance, the potency, of The Man Behind! Someone's vision, someone's strength of character, someone's strict integrity, someone's administrative genius, must go into the product from its inception to its final lodgment with the consumer, else we have not suitably defined the word "market."

There can be no royal road to industrial success in any community. Seldom can any wholesale industrial development be attained. If a community starts to develop some one industry, it makes it the better for others in that line, and, ultimately, the community develops thereby. The success of one man attracts the attention of another in the same line. The labor market is thus created, and the community sort of specializes on that line. Like attracts like. Soon the community becomes famous as of one thing. But the best balance is maintained, of course, by a careful study of the things most adapted, the nearby source of raw material, the small market that may first be developed, and the kind of men that may be massed for industry in general.

It is a starting point to other things. It may be accomplished by an industrial secretary, or by a general secretary, or by a committee, or by a bureau. It matters not so long as it be done. When it is done and done right, then the organization is in shape to do more industrial work intelligently.

The safest and surest way to get an industry is to discard all the wellworn methods, study the local situation thoroughly; take the local survey and ascertain as above indicated the institutions and products of the community, the lack, and the need, and then make a systematic effort to build up a new line or a weak line. The opportunity will come—it never yet failed to pass the door of any community, and only may be intercepted by an alert and sane community organization. An invitation to a concern that seeks to remove for proper reasons; the submitting of a brief that is sensible and practical and shows rates, market, labor conditions, distribution, and general community relations toward industry, and, most of all, a dignified, sensible desire on the part of the community to have the industry in its midst, will do more than anything else ever invented to bring it. And every one thus brought and successfully looked after and followed up is an assurance of more to come in the future.

We have been preaching civics in our commercial organizations for the past few years. Indeed, it may be said that



civics occupies nearly one-half the average community organization effort. We assume there may be no successful contradiction of this assertion. The best business application of that fact lies in its relation to industry. For instance: we may lay it down as axiomatic, regardless of woeful lack in so many places, that if it is best for the community to have parks and boulevards and lighting and paving that is worth while, and playgrounds and comfort stations and a clean, wholesome surrounding, it is doubly well for industry to receive its share of such modern civic improvement and betterment.

Housing, industrial welfare, the pension system, the recognition of the man factor in industry, the facilities in the factory which the office and the home enjoy, the bonus system, the refectory, the clubs and all that, are not a waste in overhead; they are a definite investment and a part of the institution outlay. They produce results, just as the ordinary civics produce results in the general citizenship.

### An Industrial Survey

An industrial survey, a carefully planned, thoughtfully figured out, homegrown affair, which would not go above the heads of a committee or a board, and which would not be confusing in its multiplicity of details, should be provided. Such a survey might feature cardinal points as follows:

Business and Administration—Name and character; date of establishment; names of officers, directors, etc., especially including engineer and works manager; physical value of plant.

Plant—Location and physical layout; number of buildings, and whether owned; surroundings, as to density of population, isolation, etc.; character of building construction; floor space; insurance; fire; heating facilities; water supply; power; elevators and safety devices; clubs; telephones, etc.

Production—Seasonal periods; equipment; routing and follow-up system; organization membership; principal materials used; principal articles manufactured; direct marketing or through jobbers; branches; catalogs, etc.

Labor—Accessibility; closed or open; history of experience; manner of settlement of trouble; workmen; clerical force; can women replace men if necessary; manner of payment; bonus; overtime; nationality, etc.

Transportation—Trackage, trucking arrangement, etc.; trunk lines accessible; switching facilities; water use, if any.

Then it would be wise to include some addenda as follows:

Laboratory data; disposal of products as to area and manner of shipment, especially if express is used; list of principal competitors; railroad service, as a general factor; use of traffic bureaus; materials used, source, etc.; heat, light, power, water; taxes, etc.; by-products and waste.

As to the proper place of industrial development in a commercial organization, speaking directly and briefly to that one point: There are, generally speaking, in community organization work as systematized today, four great subdivisions. They are: Organization affairs; public affairs; industrial affairs, and civic affairs. Each is co-ordinate. Each bears its proper proportion of importance in organization work.

## What Is an Industrial Survey?

BY A STUDENT

The term "survey" has been borrowed from the science of sociology. It has been expanded, however, until the expression "an industrial survey" has come to mean anything from a card index of industrial cities to an elaborate investigation of the industrial resources of the community.

As a point of departure it might be well to define more or less definitely what is meant by industrial survey in this discussion. For purposes of argument we may use the term as including any *attempt to determine and list the factors bearing on the industrial problems of the community*. Three questions at once present themselves: (1) What are the factors bearing on industrial problems? (2) What is the purpose for which they are to be listed? and (3) What are the industrial problems of the community?

The main difficulty in industrial surveys as conducted by chambers of commerce is that they are apt to be carried on from the viewpoint of "social values" rather than from the viewpoint of the manufacturers' ledger.

Let us illustrate: There is a certain pork-packing establishment in the East which has an elaborate system for collecting hogs in the Mississippi valley. This system costs thousands of dollars a month to operate. The firm also has a system of



education for its employees on which it spends a great deal of money. Every part of the factory is carefully planned, and expenses are watched at every turn. The market is carefully studied and the marketing system worked out by the company is designed to secure the largest return possible from the entire output. After all this care has been exercised and all this expense laid out, the company figures its profits on all the animals it kills at considerably less than one-quarter of one cent a pound. All the savings and all the advantages over the competitors secured by careful thought in the planning of the manufacturing and marketing steps may be wiped out by a little carelessness anywhere along the line. For instance, in the cutting room the whole profit margin may be wiped out by carelessness in cutting the sides into their two main parts—backs and bellies. There is a strip through the middle of each side which belongs equally well with either type of product, and if the price of backs is high of course there is an advantage in cutting the backs wide and getting the greatest possible amount of backs out of the sides, and vice versa. The point, however, is that carelessness in this one detail within the plant may offset the results of an elaborate system for making savings in production or distributing costs.

This illustration may make it clearer than the bare statement can, what is meant by dealing with the industrial and commercial factors of the community from the point of view of the manufacturer's ledger. In many instances, every possible advantage which the community can offer must be turned to account. But such advantages as labor supply, nearness to market, immunity from strikes, or even cheap power, in the manufacturer's mind only work out into figures representing minute fractions of a cent per unit of product. It is clear, therefore, that what may appear to be great advantages in a community may be either largely, or entirely, off-set by apparently trivial factors. At the same time it is clear also that certain apparently trivial factors may make up for deficiency in what might be called natural equipment.

This idea of viewing resources from the standpoint of the manufacturer's ledger helps us to explain also some of the apparent contradictions between the results of surveys and the actual experience of communities. For instance, if we viewed the resources of Detroit in perfectly cold blood the probabili-



ties are that we should never pick that as the location for the greatest automobile center in the United States. What apparently happened was that certain forceful and constructive persons undertook the establishment of automobile factories there, and the personal influences were strong enough to counteract what natural disadvantages there might have been. Illustrations of the same thing might be found in the case of such matters as a minor change in a freight rate. There are instances also where the mere passage of time with the resulting depreciation of property has been sufficient to modify the larger and apparently more powerful factors in the location or operation of an industry.

### Factors Bearing on Industrial Problems

With this point in mind it is possible to get some idea of what type of factors it is necessary to consider in an industrial survey. Strictly speaking, there is nothing short of omniscience that would be entirely satisfactory as equipment for conducting an industrial survey. There is no feature of the civic, social, commercial, or political life of the community which might not have a bearing on industrial location and operation. The main difficulty is not to find factors which ought to be listed, but to select those factors the listing and observation of which will be of use. It perhaps needs no demonstration that an industrial survey may very quickly clutter itself up with the mere volume of detail accumulated, so that it will be of absolutely no use to anyone.

Two common errors in making such a survey may serve to sum up the general principles underlying the process of selection of material factors in the situation. The first of these is the error of duplicating work already done. For example, one industrial survey which closed its eyes to the existence of a very full housing survey already available in the community, undertook to cover incompletely the ground which had been thoroughly covered by the housing survey, instead of going through the housing survey and selecting and indexing such material as would be useful. Another case may be cited where several thousand dollars were spent in supplementing material on the statistics of employment on the theory that the state statistics on the subject were incomplete. After three years' work material was collected which was perhaps more

detailed than the state's figures, but a portion of what had been collected was two or three years old and the value of the statistics was seriously impaired by the minuteness with which the survey had been conducted. In their present form the statistics may be more valuable from a scientific point of view, but they will probably be no more useful to the manufacturers than are the state figures.

When large appropriations are not available, and when a large staff cannot be used for conducting the survey within a very short time, one of the most important steps is the determination of what material already exists concerning the more conspicuous factors, and a careful indexing of the data which, while they may have been collected from an entirely different point of view, may be extremely useful in specific cases.

A second common error is that of regarding the industrial survey as being an end in itself. Its chief usefulness is in making easy of access facts which will help the manufacturer to judge intelligently the suitability of the community for his purposes. A survey, therefore, is never an achievement; it is always merely a tool.

It is even a question whether a separate survey from the industrial point of view is what is wanted in most instances, and not an index of the significant industrial factors brought out in either a general civic survey, or the surveys covering specific parts of the equipment and conditions of the community.

With this point in mind it is evident that no satisfactory general schedule of factors to be considered in an industrial survey can be made. What would apply in one community would not be pertinent in another, nor would the same lists be equally valuable in the same community for two different industries at the same time.

### **The Purpose for which Factors are Listed**

The second question is what is the use to be made of the listed factors bearing on the industrial problems of the community. For the sake of emphasis let us repeat the answer to this which has already been given. An industrial survey is not intended to take the place of the brains of a manufacturer. Its task is to help him to ascertain some of the factors useful in the process of reaching a decision whether to locate or to remain in a community, or to modify his present equipment or methods.

As in the case of the factors to be considered so in the case of the method of listing, no formula for a survey can be laid down. In fact, in many instances, the most useful form of survey conceivable is not strictly speaking a survey at all, but is rather, as has already been intimated, a card index of material in existence. But whether the survey takes this form or a more elaborate one there are certain general features which may be worth consideration.

In the first place, the index ought to be in such form that the material is always in process of expansion and correction. An industrial survey which is in final form is in most cases no longer of any use. In the second place, one of the most conspicuous features of the survey should be reference to compiled sources and to sources in the form of well-informed men who may be expected to supply material and suggestions on the factors under consideration. The third essential should be availability of the material for use without the guidance or interpretation of anyone, even the secretary himself.

Aside from these features there is little that is common in the problems of compiling and indexing the material bearing on the industrial problems of the community. How detailed the material is to be will vary with almost every case which it is planned to serve. What standards are to be set up for the inclusion and exclusion of material, also, will be matters impossible of satisfactory solution according to any general formula.

The chief objection to any such statement of the case as this is the rather sweeping one that by the application of such standards one might as well have no separate industrial survey at all. Except as a matter of convenience, and as a tool for the saving of time and effort, this is entirely true; but even after it has been granted that the survey is merely a device for making accessible material already in existence there is still a large usefulness for it. Certainly in most cases there is a wide gap between dependence on the general information of the secretary, and having available an index of this kind for use in getting facts about the industrial situation.

### **What are the Industrial Problems of the Community?**

The third question is, what are the industrial problems of the community. As has been intimated there probably is no industrial problem absolutely separate from all the other prob-



lems of the community, but there certainly are questions which arise, the bearing of which is mainly industrial.

For example, I have before me specimens of analyses of the industrial and commercial resources of the communities prepared for four different types of purpose: (1) An analysis of a specific industry for the purpose of determining the facts concerning a restricted number of features of that one industry; (2) A special survey of a certain portion of the resources of a community for a specific purpose; (3) A general survey of the community for the purpose of bringing out a specially selected group of facts; (4) A general inventory for general reference.

The first of these—an analysis of a specific industry for the purpose of determining the facts concerning a restricted number of features of that one industry—is the simplest and easiest sort of survey to conduct. The ends aimed at are specific and the material to be collected is not so diffuse that it cannot be readily handled. For example, in the city of Rochester, a few years ago, a state committee met for the purpose of investigating conditions in the factories in Rochester. The testimony taken at this time was made the basis of sensational newspaper articles concerning the length of hours and some features of organization in the clothing factories of Rochester. The chamber of commerce undertook to ascertain the actual facts of the case. A committee was appointed for the purpose, and the committee worked with diligence and with absolutely even handed justice, and made a presentation of the situation which corrected many of the misrepresentations in the newspaper article, and for the first time made available the real facts of the case.

Such a survey as this confined to a single industry, and covering a concrete group of problems necessarily is much more satisfactory and tangible in its results than a general survey can be, but, of course, the number of surveys of this sort would have to be multiplied almost indefinitely before they would be of great value in any general examination of the industrial conditions of the community.

The second type of survey—a special survey of a certain portion of the resources of a community for a specific purpose—is comparatively simple also, but it is very difficult to conduct such a survey and keep it on a thoroughly practical and scientific basis. An example of a survey of this kind would be

the examination of the resources of a city for the purpose of determining in a general way its adaptability to, say, an expansion of the steel rolling industry there. The general facts of course may be ascertained without difficulty, but when it comes to the real concrete factors in the situation one is confronted with the difficulty of presenting the real inside information, such as would be necessary from the standpoint of the manufacturer's costs of operation. If, for instance, there should be one or two successful steel mills in the city, none of them would be willing to give up its inside figures for the encouragement of the location of new industries. If, on the other hand, there were no steel mills there, almost any figures would necessarily be conjectural.

The third type of general survey for the purpose of bringing out a specially selected group of facts is extremely useful as an adjunct to social service or to civic investigations. A good example of this was a survey made a few years ago in the city of Cleveland which brought out certain facts about the industries of the city which had not been available before. Notable among these was a collection of facts about gaps in the industrial activities of the city. It was found, for example, that in some instances the finished product of certain Cleveland establishments was the raw material for factories located elsewhere, and that there were no factories of the second type in the city. On the other hand, it was frequently found that Cleveland industries were going elsewhere for semi-manufactured materials which apparently could be produced quite satisfactorily in Cleveland.

The following quotation from the report of the committee conducting this survey—which, by the way, was not called a survey but merely a report on progress in industrial development—will indicate something of what the survey revealed:

*Radiators:*

Thousands are used in Cleveland and its immediate vicinity annually, none are made here, and foundry iron goes to consumers here cheaper than at the points where radiators are made.

*Woolen fabric and wool yarn:*

Cleveland is one of the greatest centers for the production of women's clothing and knit goods; about \$8,000,000 worth of woolen fabrics is used by Cleveland manufacturers annually, of which only a small portion, in a few grades, is woven here; and no yarn is produced here.

*Machine tools:*

Some are made in Cleveland, but many of the tools most generally used

in our scores of machine shops must be bought directly or indirectly from outside producers.

*Automobiles:*

Cleveland is one of the largest makers of automobile parts, but exports a large proportion of them to Michigan, where they are assembled into the cheaper machines, turned out in large quantities, with acres of factories and thousands of mechanics. We produce high-grade cars, but why not also the cheaper cars in larger volume, thereby swelling our own industrial prosperity?

This survey became the starting point for a long series of more detailed investigations by the chamber and led eventually to the formation of the Industrial Development Company which has for its object assisting in the financing of new enterprises and the undertaking of what is referred to as a thorough, exhaustive survey of Cleveland and adjacent territory to secure complete analysis of every industry including full data as to its sources of materials and its products.

The type of survey which thus fits into the existing studies of conditions in the city, but undertakes to view them primarily from the industrial point of view is in many respects the most useful and suggestive type of all.

The fourth class of survey which has been referred to as an inventory of general reference has already been discussed as a convenient means to the end of working out the industrial problems of a community. There are certain secretaries whose grasp of the details of their own community is more useful for practical purposes than any survey could be, but at the same time there is very grave danger in the secretary's assumption of familiarity with facts concerning which his real knowledge is extremely limited and vague.

From what has been said it may be gathered that I have some doubts about the value of a separate industrial survey to be conducted by a commercial body duplicating the work of civic or social surveys already in existence. On the other hand, I am convinced that it is unfortunate for secretaries as a whole to have at hand for general use no more really specific and reliable information about their city than is commonly available. In every community there certainly ought to be somewhere, either at the chamber of commerce or in some other place, a collection and a carefully prepared index of such written or other material as is available in the way of reliable facts about the industrial and commercial equipment of the city. Moreover, even small organizations might well turn their attention



to the preservation and maintenance of what might be called a current catalogue of some of the more obvious industrial and commercial factors. For example, maps of the city showing at a glance insurance districts, tax rates, passenger transportation facilities, available industrial locations and similar facts ought to be a part of the equipment of each commercial organization office. The following list of some of the concrete types of material collected for a survey conducted in Minneapolis contains some suggestions which ought to be of value to any secretary, and which are much more useful for practical purposes than a great deal more detailed material hid away in a file:

Compilation of lists and maps of available factory sites both improved and unimproved, together with full description of the same with regard to size, location, character of buildings, proximity to labor supply and transportation facilities, insurance rates on stock and machinery, etc.

Preparation of more than one hundred maps, charts and tables showing various phases of industrial development.

Analysis of industries to show which are declining, which are stationary and which are advancing, together with the reasons therefore.

Preparation of maps showing localization of various classes of industries.

Preparation of maps and charts showing principal distributing centers for local industries.

Analysis of trade tendencies in local territory to discover changes in industrial relations by which local establishments may profit.

Back of these the amount of detail would depend on the resources of the organization, but material of this kind accurate enough for most cases can be obtained without great cost, and in most instances, the collection of the really intimate and detailed material can better be done by individuals than by any organization undertaking to have a universal knowledge on hand for everybody.

## Factors In Securing Factories

By J. F. CARTER

The main factors of factory efficiency are labor, transportation, materials, investment, markets and location. While some of these are primary essentials, others are only apparently so.

Let us examine location as a factor. For instance, the furniture factories are located in and around Grand Rapids, while the mahogany and circassian walnut are imported through New Orleans and New York, and the red gum and

oak grow natively in the extreme south. Raw materials must travel far out of the way to be manufactured in Grand Rapids and shipped to the center of population. There is here an evidence that the economy of location is not decisive. Hence, it would seem that there is some other factor which has a bearing.

Detroit is an automobile center; New Orleans is a burlap bag center; eastern Massachusetts is a shoe center, and Grand Rapids is a furniture center. A few years ago some men started a shoe factory in St. Louis, and another was started as soon as the first one showed signs of success. Today St. Louis rivals Boston, and men have no fear of making shoes in St. Louis. It has been but a few years since some brave fellows in a little town in North Carolina invested their local money in a furniture plant—today High Point is the furniture center of the southeast.

Within two years there have been many "Made at Home" exhibits and expositions and campaigns held in the larger cities of this country. The newspaper comments and publicity and some of the letters of the commercial bodies in those cities cried aloud against the shame of their people buying goods outside of town when they were made in their own home city—at the lack of patriotism of the people of "our town" in purchasing the goods made in a competitive city.

### **The Factor of Chief Importance**

It would seem, really that after a study of the whole field, after a few years' review of the situation, first studying the elements of economic location and comparing the conclusions with the actual location of factories, manufacturing of almost any article is successful in almost any part of the country.

The man is the real factor in successful manufacturing. It is the human element that counts, and which is left out of the calculations of commercial secretaries.

This does not argue that there is nothing to be gained from the study of economics of location, nor that we should not try to influence some of the furniture factories to leave Grand Rapids by proving that the combination of the five great elements of economic location are more favorable to the furniture manufacturer at New Orleans than at Grand Rapids; nor that Kansas City should not try to lure the woolen mills of the east by showing them that the combination of the five great elements favors Kansas City as against any of the New England loca-

tions. But, here it is clear, that when nothing is added to these economic arguments by the cities which are so economically situated, factories are not seen moving to them in great numbers, while factories of various kinds are moving to those cities which are advertising themselves in a big way, and granting concessions to plants.

Little attention need be paid to some items: For instance, as calculated against the total production of a factory, the average percentage paid out in power is slightly more than two-tenths of one percent; power that includes cost of fuel, or cost of production of power of any kind, or cost of renting power of any kind. Taxes, even including the internal revenue charges, amount to less than two-tenths of one percent.

Here and there we find a factory which uses large amounts of power, and, in such cases, it might be well for the commercial secretary to find ways and means of reducing the cost of power, or of exhibiting to the prospective manufacturer what low cost is to be found in his particular city. But, as a general rule, it applies in far the greater number of cases, the cost of power and taxation has a very small bearing on the total business done. Many manufacturers may talk of taxation, but when the tax bill is paid it figures as a very small part of the total expense.

Going further through the census figures, we find that salaries amount to 5.1 percent of the value of the product turned out in the average factory, and that wages amount to 18.6 percent of the total.

#### Some Other Important Items

Then we approach the real crux of the situation—the materials amount to 63.8 percent of the total manufactured product, and by “materials” the census bureau has specifically stated that it means the materials used in manufacture, plus the mill supplies used by the factory, plus the container of the product.

The “miscellaneous” item forms 10.5 percent of the total value of manufactured products; this miscellaneous item includes rent of offices and buildings, exclusive of factory, and includes rent of machinery, royalties, use of patents, insurance, ordinary repairs of buildings and machinery, advertising, traveling expenses and all other sundry expenses. This item also includes the taxes and revenue charges.



Now, there comes the question of transportation of the manufactured goods to the market, and there are no figures given on the question. It would help us a great deal were we able to know this.

May I revert for a moment to the much-talked-of topics of taxation and fuel, and call your attention to the fact that the percentage paid out in salaries (without mention of wages) is more than twelve times as great as the items of taxation and fuel combined? Yet, commercial secretaries will use their efforts in arguing taxation and fuel items, when the manufacturer himself can wipe out all the ground he gains by the mere payment of a little salary to someone who might be useless to the plant.

In discussing this item of fuel: Why is it that secretaries will discuss the price of coal per ton? Coal is not valued by the ton by a good manufacturer. What he is looking for is coal with heat units in it, and the chances are that he pays more when he buys a low-priced coal, than when he buys a high-priced coal, for in the latter case he is getting a coal with heat units which are available with the least destruction of his boilers or grate bars, or waste of time to his firemen in dumping ashes. Coal is good or bad or indifferent. It should be analyzed, and each manufacturer should buy that coal which gives him minimum-priced horsepower. He should figure his coal by the horsepower hour, just as he buys his electricity from a public utilities corporation by the kilowatt hour.

### The Influence of Market Problems

The item of "market" is one of the important factors in locating a factory, or a branch plant. "Market" certainly is not composed of the population of the city or its state. "Market" is all that territory which can be reached in competition with any other center of manufacture of the same article. Commerce is the movement of things from the place where they are abundant to the place where they are not. "Market," viewed from the standpoint of an industrial location, is all that territory to which the manufacturer can go on an equality with his competitor. "Market," to the largest extent, is bounded by the line of demarkation of comparative freight or express rates, the comparison being between the proposed location and some competitor or several competitors. That is, "market" for agricultural implements for a proposed factory at Houston, is pri-

marily that territory into which the Kansas City and Moline manufacturers of implements can not go as against freight rates applying out of Houston. In brief, any argument offered by the industrial secretary as to markets, must be based very largely upon freight rates applying on the particular commodity.

However, if it can be shown that the combination of cost items are lower at Houston than at Kansas City or Moline, the territory broadens slightly and goes beyond the freight rate line of demarkation. This is drawing a very fine line on the work of the industrial secretary, and we find very few of them who come to a discussion of cost items with any degree of definiteness or accuracy.

In thus attempting to define "market," I have assumed that the factory shall make a piece of goods in which there is competition, such as cigars, candy, caskets, paint, gas engines, etc. There are some commodities, of course, which have little competition and which travel far beyond any territory bounded by freight rate lines.

One point I wish to drive hard upon is this: that "market" is not present merely because a certain commodity is not made in a city. For instance, there is no paper factory at El Paso—and this can never be taken as an argument that the "market" at El Paso forms a reason for the location of a paper plant.

### The Matter of Money Outlay

One of the major elements in economic location is known as investment or "Money Outlay." It is my impression that just here lies one of the chief factors in securing factories. I am opposed to the bonus, unalterably opposed to it. "Money outlay" includes the cost of the site, the improvement of that site and its approach, the cost of building materials, the bank credit facilities, the licenses, corporation laws and costs, ease of obtaining additional subscriptions to stock, ease of selling bonds or other securities, and like items. And, of these, the factor which arises often is a combination of cost of site, credit facilities and stock subscription. It is not the big manufacturer with plenty of capital who is seen before our committees in an effort to locate—it is, rather, the small man who has worked himself up from a degree above zero and who is in search of help after proving to himself that he is deserving of it. He

wishes to have more money behind him, wishes to be given a strong push along the highway which he has been following, and he seeks that place where the people are willing to give him the necessary aid. We speak now, of course, of the legitimate, honest manufacturer.

This does not rise out of an attempt on the part of run-down plants, or poorly-operated plants, or poorly-managed plants to get enough money from someone to head off its creditors for a period. There comes a demand for local investment from some of the very best managed plants—plants which are perfectly solvent and which have, for quite a time, been paying good dividends.

It is a very easy matter, however, to be tricked, and it is also a very easy matter for a commercial secretary to criticize others for not putting in their money to help the city gain new enterprises. The average man seeking factories for his city has probably not lost a large proportion of his own money by venturing in other people's enterprises, else he would not be so prone to find fault with his own townspeople for being slow in making investments in divers plants which he may have interested in locating.

There are several ways of raising money for the prospective incoming factory. One is by direct solicitation of stock subscriptions among the townspeople or members of the commercial organization for each separate plant; another is by the raising of a fund which shall be used in making such investments; a third is by the adoption of a guarantee plan for backing the credit of the manufacturer; and another is the subdivision plan. It may well eliminate that plan which demands that the secretary go about the city in an effort to interest a dozen individuals in an enterprise—getting one located in that way, and then proceeding on the same line for the second. This is a very weak plan, just as is that one by which a meeting of citizens is called and voluntary subscriptions to stock are asked. It works once or twice and then fails. The subscriptions are made on a basis of patriotism and not on a basis of investment.

#### The Attitude of the Banks.

The guarantee plan, by which the manufacturer borrows money at a bank and has a special list of subscribers standing back of his note, does not appear to be a good one. Cities that



have tried it will not employ the guaranty plan again. Boston is a very fine evidence of this. Boston is willing to state that the guaranty plan was a failure in that city. It does not afford an opportunity for anyone but the manufacturer and the banker to profit. The bank makes its interest on the loan and is secured by having prominent men of the community endorse the paper; the manufacturer is given the chance to make money manufacturing or to experiment on other people's money, himself having whatever chances there are to win, while, if he loses, the citizens of the community are given the bag to hold.

### A Fund for Industrial Development

Then there is the fund of cash for the purpose of investing in securities of a factory. A fund of \$400,000 is raised by popular subscription, and a call for the payment of ten percent in cash is made. The ten percent is placed in bank. We now have a factory approach us. It looks good; we investigate; it still looks good, and we have the committee make an investigation; it continues to look good, and the investment is made. The money is either borrowed from the bank, putting up the cash payment as collateral by promising to leave it on deposit, or the cash fund itself is used and a second call for ten percent is made for use in the next factory. So on we proceed until the entire fund is exhausted. What is the result? Some of those plants will fail, others succeed, and a third group will hold their own, showing neither progress nor retrogression. The investments, as investments, will go the way of that sort—the dividends from the paying plants will not take care of the losses of those which fail to pay. Of course, it must be understood that we are discussing this entirely from the standpoint of investment—forgetting the good which the plants do for the city by their employment of labor.

### The Industrial Sub-division

There have been several industrial subdivisions in towns and cities of this country, some operated as private enterprises and others operated by commercial bodies without profit. Such industrial subdivisions as a rule have been successful. The reason is that investment is obtained for a group of plants without asking the townspeople to invest directly in the stock of the factory and thus have a reasonable chance of losing; that the townspeople invest in a piece of land, by the growth

of the town in a natural manner and by the forced growth of the particular section by the location of factories, they have a much better, almost certain, chance to realize their investment, with the additional chance of profit on the land adjacent to the factories.

It becomes necessary, of course, for the industrial secretary to work out a plan of industrial subdivision which will contain the greatest number of advantages for the various factories, such as street car transportation for labor, several spur tracks from different railroads, the installation of water, gas, electricity, telephone service and sewerage. An active industrial secretary could build a model industrial center if he so desired, thus giving advertising to his city which is of considerable value beyond the mere location of the plants.

Since the investment of money or the granting of concessions has brought about such plans as the guaranty, the exemption from taxation, free sites, and investment companies, all of which have had serious disadvantages and drawbacks, the industrial subdivision, operated without profits to any private person, is the method which will get the greatest support from townspeople and which will solve the question of investment and granting of concessions to plants.

The industrial secretary should have his own survey in hand, and should know more especially the class of factories which would have the least chance at success and those which would have the best. Among the leading factors in securing factories advertising is first, and the second factor is the ease of obtaining help for the honest manufacturer who is solvent and can show that he will succeed with more capital behind him.

The five great elements of economic location are primarily those which a manufacturer should study closely before trying to change, but the two mentioned are those which an industrial secretary should study before he will be successful in locating plants. To some cities factories have a tendency to drift—to others they must be attracted.

# Industrial Survey of the City

What it Involves, and the Results to be Expected

By EMMETT HAY NAYLOR

The preparation of the municipality for industries involves making a complete industrial survey. This should be done by classifying all the present industries of the city as to their products, volume of business and financial standing. All freight rates, shipping charges (by water or rail), should be analyzed. The housing conditions of the employees should be investigated. When all these facts are gathered together, then a careful study should be made of the situation with the knowledge at hand. If there is any industry already in the city which needs financial aid or proper management or other needful direction, it should be assisted. By all means, the industries already located in the city should be assisted first, before any new ones are sought. If the freight rates are not satisfactory, they should be adjusted. If the housing conditions and home advantages are not desirable, they should likewise be rectified. In this analysis should be determined the weak spots in the industrial life, and they should be strengthened.

Then the question will arise, "What does the city want as regards new industries?" It is never safe for any city to have one product. The industries of the municipality should be diversified so that in time of depression of one article, the others will maintain an equality of business activity.

Another question that should arise is: "What industries is the city most fitted to take care of as regards the locality of the city?" A city should guarantee high profits to the manufacturer by natural advantages—a net profit greater than would be possible in any other city for this particular product.

Also, in considering the industrial situation, and in bringing new industries to the city, labor conditions and the possibilities of strikes should be in every instance regarded.

When we consider that the average gain from year to year in urban population for the United States was 35 per cent and that the average gain in manufacturing for the United States was 81 per cent, it is plainly manifest that the factories supply prosperity to the cities. In the New England district, we find the payroll and net factory cash spent through the regular



channels of stores, banks, realties, etc., amounts to about \$1200 for every family, city and country, while in the South, West, Southeast and Southwest, it reaches about \$150 per family. If the same proportionate factory business be located in a city of 100,000, it would mean an increase of some \$20,000,000 spent yearly in that city, or some \$1000 more for every family.

Now, when the city has been placed in a position to invite new industries to it, and has no needful industries of its own, and it has been determined what class and kind of new industries are desired, we go to our next step.

### Solicitation of New Industries

The solicitation of new industries may be done in two ways: the indirect or receptive manner, and the direct or aggressive manner.

The indirect or receptive manner, is by advertising. Municipal advertising for industries does pay for the commercial organization that has unlimited funds to spend in such, but for a commercial organization to have only a small campaign of advertising, with little or no money to devote to it, is a loss. The advertising of the municipality for industrial purposes will bring in a great many replies which will be chiefly chaff, but among them there may be one or two kernels of pure wheat. The commercial organization, however, always should have on hand all up-to-date information as regards wages of labor, freight rates by rail or water, power rates, light rates, rentals for workmen, cost of fuel, available raw materials, etc. Such literature as is sometimes foisted upon the public by municipalities, showing delightful scenes and written in fine descriptive power, makes pleasant reading, but the average industry wants to know definite and vital facts. Fine illustrated booklets showing the city as a good place to live in, and to do business in, are desirable, but facts and figures of a business nature are more essential. A card system should be established by the commercial organization by which all available factory sites, buildings for rent, etc., should be kept up-to-date and on hand for immediate and ready replies. On this card should be the following information: Size of lot, location, size and character of building, space available, light, for heavy manufacturing, for light manufacturing, kind of business desired, elevators, power, railroad facilities, sale price, rental and the name of owner and agent.

The industry applying for information and assistance from the commercial organization should be told exactly the position of that commercial organization as regards new industries, so that there may be no misunderstandings and no waste movements in going after something which in the end will mean nothing. The assistance of the railroads should be sought in furnishing information to commercial organizations, as it is as much their business as anyone's to bring new industries into the city.

The direct or aggressive method, is to concentrate on the particular kind of industry that is desired for the city. It is better to go after one or two than to give a great broadside by a whirlwind advertising campaign and be indifferently effective. Through the press clipping bureaus and by other means, a secretary can keep constantly in mind labor conditions in other municipalities, where fires, etc., have taken place, and if he sees there an industry which he thinks should be better located in his city, he can then go to them with a proposition at the time of their trouble, and they may consider a change. In this he has to be the diplomat, in becoming acquainted with the officials of the company and suggesting to them the possibilities of a change. It is never wise to talk to an old and established industry about moving their entire plant to another city. It is better to talk to them about establishing a branch plant in your city and then eventually you may get the entire industry. If, however, the secretary cannot make a personal visit, he can at least write a letter which is full of personality and sincerity, but which contains convincing facts. If there is one "DON'T" that I would suggest, it would be DON'T USE CIRCULARS. They are a waste and a quasi insult. If the industry is worth going after, it is worth at least spending two cents on in a personal letter.

### Investigation of New Industries

In the investigation of the new industry, judgment and analytical work must be used. This is the part of the industrial committee of the commercial organization. The thing to beware of in the new industry is the bonus-hunting, the fly-by-night concern which wishes to come to your city, raise money, do manufacturing there for a while, and then move on to the next municipality. The woods are full of tramp industries the same as they are full of tramp individuals looking for a hand-

out. And if they come to your city and locate and then fail, they leave industrial scars which are hard to eradicate. No city is desirous of the reputation of being the "home of industrial failures."

And yet, one must not be too independent as regards the consideration of new industries. All merit some thought. For instance, a man once came to a city in New England with a new kind of biscuit. He invited some of the so-called progressive citizens to his room in the hotel and there demonstrated to them his proposition. He squeezed some dough through a sieve, made it into a cake, baked it in a charcoal oven, and then served it to them with sugar and cream. In a self-complacent manner they informed him that it might be all right for invalids, but that the average person would not eat that baled hay. He was a man without money, but he had a good product. Somebody with a vision saw it, and he is now manufacturing shredded wheat biscuit at Niagara Falls, and you all know the result.

In the city of Springfield, Massachusetts, a world champion bicycle rider, suggested the possibility of having bicycles run by motor, and was called a day dreamer. But at last he interested some parties, and now he has one of the largest industries in the country. These two examples show that no matter what the man's idea is, there doubtless may be some practical, saleable value in it, for you never can tell what the public will buy. And yet, on the other hand, you have to watch out for the visionary patentholder, who has an article which never could sell, but who comes to you and wants to organize a company and himself with no business ability at all, to become manager of it. I would suggest that the average new industry be tested by the following questions:

1. Is the article which they manufacture useful? Is there a demand for it?
2. Has the company proper and efficient officers?
3. Is the company capitalized sufficiently to carry on the business in a satisfactory manner?
4. Has it a clear and definite business policy?
5. Does it strive for a high perfection in manufactured product?
6. Is its business and manufacturing organization satisfactory, and has it a complete system of accounting?

These facts should all be procured, and, furthermore, a complete report from Bradstreet and Dun should be had as to the business and as to the integrity of the officers. The company should also be asked to place in the hands of the commit-



tee a certified auditor's report of its accounts and a certified appraiser's report of its machinery and other material assets.

The question should also be carefully considered as to exactly why this industry wants to come to your city. Of course, if you are soliciting the industry, the question does not arise, but if the industry comes to you, there must be some reason for it, and there's many a chance for an ulterior purpose to creep in here. If the industry is established in the city, all of these reports and facts should be kept carefully on hand by the secretary for reference and the progress of the industry for two or three years recorded.

With the approval of the new industry, we come to our fourth and last step, the

### Location of New Industries

In the first place, no commercial organization can consistently consider itself a stock promoting organization. It may be able to promote nine industries and have them successful, but the tenth industry might fail and thus spell dissatisfaction and ultimate disorganization to the commercial body. All that the commercial organization can do in this regard is to endorse an industry highly, and say to its members—"We have investigated this industry and have found it to be desirable for the city." But, there are four definite business methods by which a commerce body may locate new industries, and they are by forming independent companies working under the advisement of the board of directors of the commercial organization. These four methods are:

1. The Industrial Holding Company Plan.
2. The Industrial Loan Plan.
3. The Real Estate Development Plan.
4. The Nursery Plan.

The Industrial Holding Company Plan is brought about by organizing a holding company of certain citizens of the community who will use the resources of the company for the purpose of stimulating old and new industries in the community. The company does not give bonuses, but properly invests its resources. The company is organized and incorporated for the benefit of its stock holders and for the promotion of the prosperity of the community. All the stock is subscribed by the citizens of the municipality. The capital of this company should

be large enough to permit the company to do comprehensive work. Under the general corporation laws, when one-half of the stock is subscribed the company may do business. The company can be formed in the city by either a general canvass, by a mass meeting, or in any manner that seems best suited to the temperament of the citizens.

Now, when some new industry has been investigated and found desirable, it is brought to the city, and it is necessary, let us say, to have \$50,000 additional capital. The directors of the industrial holding company are thoroughly satisfied that the new industry is a good investment; they call upon all the stockholders pro rata to buy stock to the aggregate sum of \$50,000 and with the understanding that the industrial holding company shall have representation on the governing board of the new industry. In this manner, \$50,000 is invested, not given, to the new industry. The dividends on the \$50,000 are paid to the treasurer of the industrial holding company and are pro rated to the individual stockholders of the industrial holding company after paying any incidental expenses for the operation of the said industrial holding company. In organizing the company and in securing stock, it is well to bear in mind that no subscription shall be called for until the new industry is endorsed by the directors of the industrial holding company; that not more than a certain percentage of the capital stock shall be called for within a certain period of time; and that no subscription shall be in force until at least one-half of the capital stock of the industrial holding company has been subscribed. The industrial holding company should be empowered to purchase bonds from any incoming industry, which it endorses, or to furnish funds on long time loans, to purchase securities, and to do everything necessary to the location, establishment, maintenance and operation of the industrial enterprise. The industrial holding company can, if it wishes, organize its own industries and operate them with its own capital. The secretary of the commercial organization should be secretary of the industrial holding company.

The industrial loan plan simply involves a credit or endorsement of loans for industries which are in need of additional funds for the larger development of their business. This is done by calling a mass meeting of the citizens or a committee meeting, as you will, and organizing a loan company. The

affairs of the company are in the hands of three or more trustees whose duty it is to carefully investigate the matter, ascertain the amount of loan desired, what security is offered, and the general merit of the proposition. If the trustees approve, they will go to the bank in which the loan is to be placed, make out the notes or mortgages, have the proper officials representing the industry endorse the notes or sign the mortgages and then sign the papers themselves as attorneys-in-fact for the signers of the guarantee fund. The banks notify the trustees, at the same time they notify the officials of the industry when payments on notes or mortgages are due. In case of loss, the banks notify the trustees, who in turn, call upon and collect from each subscriber his share of the loss. The applicants are often found among people outside of banking credit, but as the risk is high, the loans are generally kept small.

The next plan is the real estate development plan. It provides that a group of citizens may get together and open up a certain tract of land for development purposes, offering special inducements to industries recommended by the industrial committee of the board of trade or chamber of commerce to locate there. The plan secures an industrial fund for the city without calling for outright subscriptions, but by giving real value for any moneys secured. There is danger, however, under this plan that the real estate developers, in their desire to make money, will let any industry come into the city, and, therefore, it should be understood that no industry will be allowed on the tract which has not been thoroughly investigated and approved by the industrial committee of the commercial organization. The advantages of this plan are that it gives the municipality an industrial fund in real property. It segregates the factory district of the city; it stimulates the municipality to develop along proper city planning lines as regards factories, and it offers great possibilities as regards satisfactory housing conditions and pleasant, healthful environment.

The last plan is the nursery plan. There are many industries which are too small to occupy large plants, but which will eventually grow. These industries should all be housed in one building known as the Industrial Building, and there allowed to incubate. The building, of course, should be constructed with good railroad facilities, proper lights, air, and modern manufacturing requirements and conveniences. A great many cities



have already constructed such buildings and find no difficulty at all in renting space to small industries which are investigated and found to have possibilities of future growth.

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To summarize briefly then. The municipality must be properly prepared by a survey, so as to have all conditions satisfactory for procuring new industries. New industries must be solicited by either the indirect method—through advertising—or by the direct method—personal and individual solicitation. All industries should be carefully investigated by the industrial committee, and if recommended, turned over to the industrial holding company. They can then be properly financed and located, but if there is no industrial holding company, they can be provided for by the industrial loan plan, the real estate development plan, or the nursery plan.

There is every reason to believe, however, that the industrial holding company plan is the solution, since it is possible for the company to lend credit to incoming industries by financing its loans in the company's own funds either through the purchase of industrial bonds or making loans outright.

The industrial holding company plan is better than the loan company plan because its subscribers invest and secure dividends, whereas in the loan company plan, merely low interest is obtained. The risk is equal in both plans. An industrial holding company can also handle the real estate development plan, can construct a building for infant industries and can do all when once a new industry is found desirable for the municipality.

The great purpose, or purposes, of the commercial organization is to build up the industries of the city by the most economical, efficacious and business-like methods possible. And every city, citizen and member will praise and support that organization which has this one of several purposes and accomplishes definite results.

Some may say that the commercial organizations should build up their cities and let the industries come of themselves, but I sincerely feel that definite action should take place in procuring new industries and that when all is said and done, the commercial organization exists, first and foremost, for the building up and increasing of the industrial life of the city.

## CHAPTER IV.

### Agricultural Activities

#### Commercial Organizations and the Farming Element

By H. V. EVA

The functions of a commercial organization may be stated in general as the promotion of the commercial, industrial and civic welfare of the community it is organized to serve.

The question is, how far should agricultural development enter into carrying out these functions? There can be but one answer: First, all things come from the ground. There have been no skeptics in the history of the world on the truism that man must eat to live. A community also must eat to live, and the community's food supply has an important bearing on development.

The more immediate question today is how far should the commercial organization enter into this work? Let me give you two different viewpoints. One is expressed by the secretary of one of the most efficient organizations in the country: "It would indeed sound strange if we were to tell you that as an organization we do not devote any time to the subject of agricultural development, because all of our prosperity comes from the ground; but as a matter of fact we do not have a committee on agriculture, and we have never felt the necessity of taking an active interest in this subject. This perhaps needs an explanation." The explanation is that he thinks the agricultural college in his state is very satisfactorily doing the work of improving agricultural conditions.

Another executive states that his organization was not organized for agricultural development. It was organized for the purpose of advertising the city, securing new industries, conventions and advancing the interests of the city generally so far as possible. However, in the conduct of a campaign it learned the truth that a prosperous and progressive city must be backed up by a prosperous and progressive farming region. The result was enthusiastic and effective work in the field of agricultural development.

In this day of cooperation and interdependence no man, no business, no community may stand alone. We must look about us, confer with and work with our neighbors that we may solve the problems that touch us all. Therein lies the foundation for commercial organization work and every movement in which men work together.

The problems of the farmer and the city business men are intimately related. The problems of the city and the county surrounding it have a similar relation. The commercial organization that endeavors to confine itself to the problems that can be seen from its office windows is, in my judgment, making a serious mistake.

Among the factors entering into industrial development is the cost of living. In the family of the wage earner food takes a greater percentage of the family income than it does in the family of the average salaried man or business man. Food costs have a greater bearing on the wages of mechanics than on the salary of the executive. Accordingly, the man with capital to invest considers the food supply and its effect on wage when considering a location for his factory.

Every city that pretends to be a distributing center must have a market. A city is large and important in proportion to the size and importance of its distribution area. Within the distribution area of a large city will be found smaller cities of various grades of size and importance, each with its own distribution area—circles within a circle. Obviously, the prosperity of the people and the towns within its distribution area is of vital importance to every city. If its own food supply is not involved—if there is plenty of production to supply it without expensive transportation, it still may turn its attention to production for other markets, and the serving of those markets so as to bring the greatest prosperity to the producers.

How should the commercial organization show its interest? I am going to quote here the experience and accomplishments of one organization. In this particular city some twelve years ago a commercial club was organized. At that time everyone believed that the city was surrounded by barren waste. Through the whole upper part of the state the lumberman had cut his swath, leaving millions of acres of pine stumps, trees he scorned, tangled brush and branches. Underneath was a soil rich in agricultural resources, but few would believe it.



For several years the commercial club talked agriculture. It called upon the world to take notice of the rich surroundings and obtained no response. Then they started out to prove their statements. They engaged a practical, scientific farmer and made him agricultural superintendent. He got out among the few farmers. He made displays at county fairs and land shows. He conducted experiments. He interested the state college of agriculture and the county. It gradually climbed in the estimation of those who had been skeptics. Today its position is assured. They did not stop when they had proved their statements, but went to the state legislature and obtained an appropriation for a state demonstration school. They went to the legislature again and obtained the passage of a bill empowering counties to make appropriations for county agents, and appropriating an amount from which the state would make similar appropriations when the counties had qualified. The result is that this state now has 35 county agents in the field.

A commercial organization should most emphatically take an interest in agricultural development in the country around it. The degree of activity should be based upon local conditions. Study your county. If the actual work of instruction is being done by the state agricultural college or some other agency, get into touch with it and see if there is not something you can do to help. Your ability to deal with problems of road building, the straightening out of marketing tangles and the extension of farm credits is far ahead of the ability of any mere educational agency. Whether your problem is one of settlement, increased production, conservation or marketing, you need a scientific agriculturist to work among the farmers.

## Agriculture and Commercial Organizations

### \*(EXTRACTS FROM A COMMITTEE REPORT)

It is a plain and self-evident fact that there are very few commercial organizations so situated that they cannot do great good for their cities and communities by an effort to help solve some of the many problems of the producers of farm products. There are few states where the yearly value of farm products is not greater than that of all its manufactured products, and

\*Committee:—W. E. Holmes, Chairman; Bruce Kennedy, H. V. Eva, L. B. Dunham, Carl J. Baer.

when one considers that agriculture is only beginning to be recognized as a science, the modern farmer, both as a scientist and business man, it is easy to see that the great majority of commercial organizations can deal with no more vital subjects than those presented to the individual, or organization, who will study the needs of the contiguous rural communities.

Doubtless every commercial secretary in the country appreciates, at least to some extent, the wonderful work that has been and is being done by the United States Department of Agriculture and by the agricultural colleges of the various states; but the most casual investigation will show that in a great majority of the communities where practical work is being done along the line of educating the rank and file of farmers to the latest and most scientific ideas the initiative has been taken by the business men of the towns, only a comparatively few of whom are land owners.

Especially to those of us who have spent some years on the farm the reason is obvious; but the fact remains that the average farmer resents the insinuation that the "town man" can tell him anything about farming, forgetting that the business world is filled with thousands of "farmer boys" who have had an opportunity to study and to observe the application of modern ideas, men who can see where their fathers failed, through lack of instruction, to practice methods that are today revolutionizing agriculture and adding immeasurably to the wealth of the country.

### Movement for Diversified Farming

A movement in the South that is of significance, is the campaigns of education for diversified farming supported and fostered by commercial organizations.

For a great many years, the agricultural energies of this section have been devoted to growing cotton almost exclusively. As a result of the one-crop system, the soils have deteriorated and it has become the custom to buy practically all foodstuffs from other states. It is said that in Alabama, during the year 1914, the people sent money to other states for foodstuffs \$6,000,000 more than the total value of the state's cotton crop. This money purchased corn, oats, wheat, hay, potatoes, and other foods, despite the fact that it has been demonstrated that

these crops can be grown abundantly in Alabama and the other states of the South.

The necessity for growing more foodstuffs was forced upon the minds of the farmers by the sharp drop in the price of cotton, following the outbreak of the war in Europe. The market fell from around fourteen cents to six cents and farmers, who had planned to buy foodstuffs from the West with cotton at fourteen cents, had to suffer the consequences of their own folly. They could not pay their debts and had no money to buy corn, hay and potatoes, which they should have grown.

It is no light task to undertake changes in lifetime customs of a people, but this work was shouldered by several commercial organizations of the South and reports indicate surprising results already. Whirlwind campaigns were made in Texas, Arkansas and Alabama. Scores of speakers, men of expert knowledge, were sent throughout these states. Their work was given enthusiastic support by the newspapers and business men and was followed by carefully prepared pamphlets and booklets treating of grain growing, cattle, hogs, sheep and chickens. In many counties permanent organizations were perfected.

Another result of this campaign of education is shown in the fact that packing houses, flour mills, and grain elevators are being established at hundreds of commercial centers in the South. All over the South farmers are organizing for cooperation in growing and marketing grain, livestock and vegetables. Commercial organizations have blazed the way for these new conditions.

A distinct service has been performed by chambers of commerce in the way of developing and improving rural life and in cultivating closer relations between the city man and his country neighbor. Rural communities have been organized for social development, excursions have been made into the country by business men, farmers have been invited to join commercial bodies, and rest rooms and market exchanges have been provided at commercial centers.

But the people of the east and the middle and central west where land values are high, are also waking up to a realization that the farmers must change their methods. A prominent official of the United States Department of Agriculture recently said to a member of your committee:

"If the present high land values in many sections of the



country are to be maintained it will be only by the introduction of improved methods of agriculture, and the first lesson to learn is to make the farm fully support the family, after which the farmer can begin to figure on profits. It is almost a crime for any farmer to buy his ham and bacon, or potatoes and butter in town, but thousands of them are doing it."

There certainly is food for reflection in the statement of Bert Ball, secretary of Crop Improvement Committee, Chicago, that in no community where an agricultural adviser is at work was the initiative taken by the farmers; it always has and probably always will remain with such organizations as we have the honor to represent to lead in the campaign of education which must precede the employment of such experts.

### The Farm a Factory

There are so many phases and angles to the subject under discussion that one hardly knows which is the most important and interesting; but if one were to attempt to sum up briefly the statement contained in the many replies received to the questionnaire sent by your committee to two hundred secretaries, in all parts of the country, it would probably be in these words: "The commercial organization which does not concern itself with local agricultural problems and conditions is asleep at the switch."

"We consider every farm in our trade territory as a factory, producing materials absolutely indispensable to the life of the human race," says one secretary. "It is a singularly fortunate fact that the farmer produces no 'finished products,' in other words, that with the exception of vegetables and fruits (which the average farmer does not produce to sell) and of eggs and hay, practically everything grown on the farm—corn, wheat, rye, barley, cotton, cane, hogs, cattle and sheep—must come to the city as 'raw materials,' to be prepared for consumption, these various processes furnishing employment to an infinitely larger army of laborers than was required to produce the raw materials."

A bulletin recently issued by one of the great harvester manufacturing companies says:

The opportunity of the town lies in the country. The country can get along without the town, but no town ever has been or ever will be permanently prosperous where the land is poor. The town is built on farm profits; on what farmers produce in excess of their home needs. Towns are the

natural evolution and outgrowth of necessity—places to store and distribute the world's surplus products through the channels of commerce. There is but one road to permanent city building—that road leads to the farm. Business is so sympathetic, so sensitive to crop production, that the forecast of a poor wheat or corn crop affects the markets of the world. When the harvest fields smile, towns wax fat, and factories increase the pay roll. Corn, wheat, and hay, beef, pork and poultry—these are the soil builders, the home builders, the builders of great cities.

The old fashioned chamber of commerce, with its cash bonuses and free factory sites, is rapidly passing away. Instead of grabbing business from each other, towns are beginning to look to the country, out into the fields of growing corn and wheat and hay. Here lies the opportunity—for the great city, strange as it may seem, is out in the country, hidden in the fertility of the soil. A successful hay campaign will bring factories to the town. Hay means beef and pork, which beckon the packing house and storage plant. More corn means cereal mills, glucose factories, starch factories. Flour mills locate in wheat-producing sections. Creameries follow the dairy cow, and the truck patch calls for the canning factory.

Let us have more chambers of agriculture and commerce and fewer "commercial clubs." Let us create wealth from the opportunities at home, and not subtract it from other communities

"No country can be richer than its lands," says another secretary, who adds: "From the soil comes our food and clothing; all other human needs are subordinate to these. Food is the chief material of life—its production is the most important occupation. In the hard school of experience we are slowly learning the lesson of real business economy—the greatest lesson of all time—that of feeding ourselves. Should commercial organizations interest themselves in these problems? I should say they should."

## The Commercial Organizations' Relations With the "Back Country"

By HON. D. F. HOUSTON

It was my fortune not many months ago to have an opportunity to speak to the chamber of commerce of one of our thriving cities. I had made some study of its problems and progress. I had certain views as to its relations to the surrounding country and the direction of progress. Before speaking, I asked if some one would not tell me what made the city, and the answer came—"the back country"—and this I knew to be true. I then innocently observed that, of course, as prudent business men, they had taken steps to inform them-

selves of the needs and problems of the back country, of the best ways to foster a balanced agriculture and to promote its well-being; that their bankers had intelligent views as to the credits which should be extended and for what; that they had taken pains to see that good roads radiated into the country districts; and, that they had assisted the farmers in solving their difficult problems of marketing and distribution. I then asked if they would tell me what had been done; and a deep and significant silence pervaded the room. This is one of many experiences and could be duplicated in many parts of the Union. That there should be a change, or that the change which is beginning to appear should be rapidly made, you will agree.

What, then, is to be done? Obviously, first of all, a new attitude must be assumed and a sense of responsibility, even on the basis of enlightened selfishness, must develop. Business men and business organizations must join the other great elements in society and become effective students of agricultural problems and efficient instruments in bettering rural life. The problems are exceedingly numerous and sufficiently difficult to tax the best thought of the best men of the Nation.

With all the progress made—and the progress has been rapid and vast—there continue to be many interesting and urgent problems of production. There is much to be done for soil improvement, for plant and animal breeding, for the eradication of diseases, for improvement of cultural methods, for better farm management, and for better utilization of labor throughout the year. The Nation is losing hundreds of millions of dollars through diseases which can be controlled or eradicated, and under better conditions the meat supply of the Nation can be greatly increased with reasonable profits to the producers and distributors. That this is essential may be sharply indicated by the mere statement that while in the last fifteen years we have gained 24,000,000 of people, the number of our beef animals has decreased 6,000,000, sheep 10,000,000, and hogs have increased only 11,000,000.

Not less important, and even more urgent, are problems of distribution. It is one thing to produce commodities and another thing to distribute them economically and profitably. There can be little doubt that in this phase of his enterprise the farmer has been at a marked disadvantage. He has been without banking machinery to serve his particular needs as



the merchant and manufacturer are served; without established standards for staples for use in market transactions and without systematic knowledge of the markets themselves; without ability to command the requisite transportation facilities; and without the requisite contact with the machinery of distribution. No one can estimate the losses arising because of these defects. Many drawbacks exist because the farmers' operations, as a rule, are on a small scale. The average cultivated farm in the Nation is 75 acres, and in some sections only 35 acres. This points to one conclusion, that cooperation for not only marketing, but also for production, is essential in the interest of the producer as well as of the consumer.

But even if each farmer were an efficient producer and community arrangements were developed for efficient marketing, the problems would not have been solved. There is much that individuals and groups of individuals may do in every community. In fact, they must always do the larger part. Self-help will be the rule in the future as it has been in the past. Nevertheless, there are certain undesirable and unjust conditions which no amount of private effort can overcome. Such conditions legislation alone can correct.

In the field of production, national and state agencies for a number of years have been rendering effective service, but, to the second half of agriculture involved in distribution, no systematic attention had been given or provision made up to two and a half or three years ago. Even the economists of the Nation had shown a singular indifference concerning problems in this field. They had been busily studying the economics of industry, banking, transportation, public debts, international payments, corporation finance, economic theory, and the economic systems of the medieval and ancient world, but a mere handful had shown any appreciation of the difficulties which vexed the six million farmers of the Nation in spite of their knowledge of their strivings against them. In the minds even of the few there were grave doubts as to the lines that inquiries should follow and as to the possibility of securing results within a reasonable time.

### Some Recent Federal Legislation

But things have moved rapidly. An office of markets to make investigations in all directions was organized in 1913,

was rapidly extended, and today possesses a large trained personnel with a budget of approximately a million dollars. It has accumulated a great mass of valuable information, and has extended aid to farmers and communities in many directions and particularly in the field of the marketing of perishables through a market news service. Certain of the investigations of the office will require time. Many facts must be secured and conclusions reached before effective action can be taken. But certain things needed to be done. It was not necessary to await a long course of inquiry to begin doing them. The present generation needed service. A program was marked out and has been completed, in large measure, by the enactment of singularly carefully framed legislation. The national banking law was so amended as to permit banks to lend money within safe limits on farm mortgages and to recognize the peculiar needs of the farmer by giving his paper a maturity period of six months. The Federal Farm Loan Act was passed, creating a banking system to reach intimately into the rural districts, to operate on terms suited to the farmer's needs under sympathetic management, to introduce business methods into farm finance, to systematize and to reduce the cost of handling of farm loans, to place upon the market mortgages which will be safe investments for private funds, to attract into agricultural operations a fair share of the capital of the Nation, and to lead to a reduction in interest rates. Then there were enacted the Cotton Futures Act, providing standards for cotton, for the supervision of the operations of the exchanges, and for placing the trading in cotton on a sounder basis; the Grain Standards Act, to establish standards for grain, to remedy certain injustices and undesirable practices; and the Warehouse Act, providing for licensing bonded warehouses and making possible an easily negotiable warehouse receipt, the better storage of farm products and the more orderly distribution of farm products. Not less important for farm operations is the Federal Aid Road Act, excellently conceived to safeguard the expenditure of \$160,000,000 arising under the act over the five-year period, and certain to secure better results from the \$280,000,000 or the equivalent now annually expended in the Nation for good roads.

Preceding these measures was the Agricultural Extension Act, one of the most significant educational measures ever

adopted by any government. Its terms you are familiar with. Like the road act, it provides for a very significant thing, for cooperation between expert state and federal agencies. It undertakes to bring home to the people the best scientific and practical knowledge bearing on production and distribution. It provides for the most effective way of disseminating knowledge, the old way, through personal contact. It will reach its full development in 1922-23, when there will be expended under its term from state and federal funds alone \$8,680,000 in the direct education of the farmer and his family, and probably from other federal and state community funds from three to four millions more. With increased local support this will permit the placing in each of the 2,850 rural counties of the Nation two county agents, in most cases a man and a woman, with the assistance of district supervisors, all working with the aid and direction of the great forces of the land grant colleges and the Department of Agriculture.

### What Organized Work Involves

I have indicated these problems, this legislation, and this machinery for the very simple reason that if you undertake to cooperate in agriculture, you must know what you are cooperating in and for, the conditions under which work must be done, the machinery through which it must be accomplished, and to suggest to you, and through you to business men, that these things must be assiduously studied if efforts are to be effective. Obviously, you must know the problems and the forces if you are to work intelligently. One of the great problems confronting us is how to educate the business man and secure his effective participation. The department and the land grant colleges are frequently embarrassed by ill considered and unwise proposals from individuals and business organizations; and not infrequently friction and ill-feeling is engendered. The business man is occupied with his immediate concern and no effective plan has been devised for reaching him. The metropolitan press has not yet fully conceived the part it might play in this great field. Agricultural activities are important but furnish little of the stuff commonly regarded as news, and it is seldom that you find on staffs of city papers men either interested in these matters or possessed of the requisite training to discuss them. Is there not suggested



here a high opportunity for the useful direction of your efforts and influence? It is especially essential that the business world should have at least a sympathetic appreciation of the difficulties under which the farmers of the Nation labor and a basis for forming an intelligent judgment on constructive and remedial economic and legislative proposals. One of the discouraging things is the resistance by many business interests, based clearly on ignorance, to greatly needed and sound legislation. Many of the discussions in the metropolitan press and in the trade journals of such proposals are frequently, to say the least, not creditable to them or helpful to their readers. I might refer, for instance, to current discussion of the Farm Loan Act and the Federal Aid Road Act. I have seen very few adequate discussions of either of these measures in the larger dailies, and have seen much that was misleading and distorted. I need not suggest that if we are to have government by public opinion, facts must be presented, be fairly interpreted and correct conclusions courageously faced, no matter where they may lead or what prejudices they may run across.

### What Commercial Organizations Can Do

Looking at the matter more narrowly, there are many things that commercial organizations and business men may well consider. Each urban community might well, in cooperation with leaders in the surrounding districts, undertake a careful survey for the purposes of better production and better organization. It may assist in the securing of a good county agent where there is none and effectively cooperate with him. Business men and business organizations may help work out better wholesale and retail markets for farm products, farmers' community buildings may be planned and established, and good roads radiating into the back country may be promoted to mutual advantage. Bankers in many parts of the country may be brought to see that by their wise use of credit will be determined the question whether or not the rural districts shall have a well-balanced, prosperous agriculture. Not a few of them are learning the lesson, and in some states the banking associations have intelligently and effectively organized state committees, composed of a member from each county, for the betterment of rural life. A peculiar opportunity is afforded for the sympathetic and constructive assistance of the banker

and the business man in connection with the inauguration of the Farm Loan Act and the formation of local associations, and in the furtherance of cooperation among farmers for the betterment of production and marketing.

Another thing you in particular can do. Lack of stability and uniformity in agricultural conditions is one of the explanations not only of unsatisfactory financial arrangements but also of inadequate marketing facilities. Even after we have done the best we can for marketing and finance, there will be difficulties growing out of rapid agricultural changes, of shifting of population, in short, out of the continued pioneering of the Nation. Certain results expected from financial or marketing studies and legislation can be secured only with a stable and balanced agriculture. Some of the most pathetic failures arise in regions where farmers have settled under alluring inducements. Not infrequently they find novel conditions and difficulties of production, but more frequently difficulties of marketing through lack of planning or through remoteness from markets. Much of the responsibility for such misfortune lies at the door of the real estate agent and of the town which is overanxious to build itself up. Obviously, some sort of responsible oversight and direction would be desirable and helpful, and I can think of no agents better adapted to render assistance in this direction than the membership of this body. False advertising and lack of provision or of previous planning is shortsighted in this field as in others, and in the long run defeats the objects and ambitions of the advertisers.

## CHAPTER V.

### Traffic and Transportation Bureaus

By FRANK BARRY

Transportation is a vital factor in commerce and production. This fact is now recognized by all commercial organizations of importance which conduct transportation bureaus in connection with their activities.

Prior to 1887 the railroads of the country were operated without governmental regulation. Rates charged were generally based upon "what the traffic would bear and move." Rules and regulations were dependent only upon the volition of the carrier and the influence that the shipper could exert. As a result, preferential rates and discriminations were rife.

The enactment of the law to regulate commerce, February 4, 1887, was intended to establish the right of the shipping public to reasonable charges for transportation, equal rates to all and adequate service by common carriers. For a brief period beneficial effect resulted. Time and the courts, however, modified the operation of the law and nullified the powers that were supposed to have been vested in the Interstate Commerce Commission.

After persistent effort by organized shipping interests of the country, continuing for about four years, the Interstate Commerce Law was substantially amended on June 30, 1906, and subsequently on June 18, 1910, so as to give the commission definite powers of regulation.

With this effective governmental regulation of common carriers came a realization of the advantage, if not necessity, of a traffic organization or bureau, as an integral part of the commercial association, to guard the lawful rights and promote the interests of the shipper.

Prior to 1906 but few business organizations conducted traffic bureaus. Since that time there has been a large and rapid increase in their number. Today practically every progressive commercial and manufacturing organization of importance has its transportation department.



At first the railroads did not look with approval upon these associations, deeming their existence and action an undue interference with the business of the carriers. Gradually this feeling has been overcome, until most railroads consider the industrial traffic bureau a valuable assistant and auxiliary to their work, affording cooperation in transportation matters which could not otherwise be obtained, and saving the railroads a vast amount of labor and expense in furnishing necessary information required by shippers.

The evolution of the traffic bureau has been gradual, and accomplished upon lines adapted to the ideas and necessities of many communities and individuals.

Business organizations in the larger communities have generally provided strong, efficient traffic bureaus under the management of capable men, who usually have had long experience in transportation. Cities of 200,000 or more population, requiring extensive service, are able to afford the necessary financial support for a strong traffic bureau, while cities of smaller population have been obliged to "cut their garment according to the cloth" and feel that they are not justified in employing a high salaried manager with clerical assistance necessary to afford comprehensive service.

The cost of maintenance of a traffic bureau in about 120 cities of the country having a population of 100,000 or more, varies from about \$5,000 to \$40,000 per annum, and averages \$10,000.

Owing to the varying conditions and the methods adopted for maintenance of traffic bureaus, also the differences in nature of the service required, it would be difficult to classify or draw comparisons between the various associations operating in commercial and manufacturing centers.

In some of the larger cities, the traffic bureau is maintained entirely at the expense of the business association, and all members are entitled to the entire service afforded by the bureau. In others, the expense of maintenance is borne in part by the members who most need the service, who pay for its support annual dues of from \$50 to \$100 per year, or are willing to pay a larger assessment, as a contribution, and the deficit in cost of operation is made up by appropriation from the parent organization.

In other communities the traffic bureau is made self-sus-

taining, its expense being borne entirely by the membership, and its accounts being kept separate from those of the parent organization.

There are almost as many different methods of financing traffic bureaus as there are associations with which they are connected.

The service afforded by traffic bureaus differs according to the desires and needs of the community. This service may be classified as individual in character, or for the benefit of the member, and in general, affecting the interests of the community.

It is customary for all freight bureaus to maintain a tariff file, to afford service in the quotation of rates and routing of shipments, tracing of delayed shipments, advice with regard to claim matters, decisions of the Interstate Commerce Commission, the state commission, decisions of the courts and advice regarding many questions that arise in traffic matters. Switching rates and rules, electric line express and parcel post rates, passenger service, rates and rules, steamship rates and service, as well as export facilities, are also within the scope of the traffic bureau's work.

Other traffic bureaus undertake to check and audit freight bills, though this has been found impracticable in many instances where attempted, owing to the volume of the service, the expense of employment of necessary clerical force, and the unprofitable results. Where this service is afforded there is usually imposed an additional charge beyond membership dues, based upon the fee of about two cents per expense bill checked, or a commission of from 25 per cent to 50 per cent for the amount of overcharge discovered and collected.

Some bureaus undertake to collect for members' claims for overcharge and loss and damage. Others act in such matters in an advisory capacity.

Most traffic bureaus handle complaints, conduct or assist in classification and rate adjustments in behalf of members, and perform a very valuable and highly appreciated service in this field. Tariff issues are carefully scrutinized and members kept informed as to changes that may interest them.

Traffic bureaus in the larger communities perform a very useful function in conducting cases affecting the interests of the community before governmental agencies, the Interstate

Commerce Commission, the state commission, and local authorities. They also strive to promote local transportation facilities such as through merchandise car loading, the enlargement of local stations, the conduct of stations, teaming, electric railway and motor truck service.

Many of the larger industrial concerns throughout the country now conduct a traffic bureau in their own interest, and while such concerns are frequently members of the traffic bureau attached to the local manufacturing or industrial association, the details of necessary traffic service are attended to by their own bureau.

Traffic bureaus and departments throughout the country have generally become allied and cooperate with each other through membership in the National Industrial Traffic League, which, through its various committees, and united action in transportation matters, has accomplished many benefits for the shipping public.

## Transportation Problems—How Shall They Be Dealt With?

By D. P. CHINDBLOM

The commercial organization that is ambitious to exert the greatest possible influence in the community cannot afford to delegate these important questions to another body or to compete with it.

The commercial organization has in its membership, if it is truly representative, the very men who must back the traffic organization that is entitled to recognition as representative of the community. This is an unnecessary duplication and often results in a divided community. The commercial organization should be able to deal with these questions in a manner that will make the other agency unnecessary, avoid the duplication and unify the community.

There is need for handling these questions in a constructive way and on a sound economic basis. Selfish aims and temporary advantages bring no permanent result that is beneficial to the community. This does not argue that an exclusive traffic organization is not capable of such a view. A real commercial



organization, properly advised, will deal with every question in that manner.

The fact that so many other problems of the commercial organization that arise cannot be properly handled without proper information on transportation is another reason for handling transportation questions within that body. We have in mind the pertinent example of the location of new industries.

Finally, the reasons for a separate traffic organization are really two: The failure of the commercial organization to take up this work, or its failure to truly represent the community and get its support. The latter situation is a real challenge to the existence of the commercial organization.

### Relation of the Traffic Department to the Organization

A discussion of how to deal with transportation problems within the commercial organization would not be complete without a consideration of the relation that the traffic department should have to the entire organization. This question only arises when there is such a separate department in charge of a traffic manager, commissioner, etc., and merits careful attention.

On this question let us speak frankly in the interest of the cooperation that must exist in order to get the best results. The traffic manager who measures up to the requirements is a man of special training and technical information gained by years of experience and application to the study of these questions. Naturally, the more qualified he is the more he is certain to have very definite opinions on the problems that come to him. The secretary, however, is the executive responsible for the general administration of the work of the entire organization and supervision of every department.

What is often needed is mutual recognition of the qualifications and position occupied by the other. The traffic manager can get much assistance in securing support for his suggestions by keeping his secretary informed and by working with him. At the same time the secretary is in a much better position to successfully direct the work of the organization, secure necessary data, and fortify himself in dealing with his officers and membership by consulting with the traffic manager. This proposition is workable.

### Cooperation with the Carriers

Cooperation with the carriers brings up one of the important and difficult questions for the organization. It is a matter of regret that there has been too little cooperation in the past and too much antagonism. The fault has been a mutual one. Shippers have not always been willing to admit when they were wrong. On the other hand, the carriers have not been as frank as they might have been.

The commercial organization should endeavor to secure an increasing desire on the part of the carriers to inform the shipper and confer with him, and to develop a greater willingness on the part of the shipper to be convinced that the carrier is sometimes right.

It will always be a fact that the commercial organization will be recognized as more definitely representing the shipper than the carrier, because the carrier serving many communities cannot have that intimate interest in a particular community that the shipper has. It is the duty of the commercial organization to see that this local interest of the shipper is exercised in a fair and reasonable way.

When an agreement cannot be reached nothing has been lost by frankness and discussion. If there is a willingness to cooperate, conflicting views can be presented to the properly authorized tribunal for decision in a much better spirit of honest difference of opinion.

We are told by both shippers and carriers that nothing is gained. The answer is that nothing is lost, and certainly nothing is accomplished by refusing to cooperate.

What the carriers can accomplish by securing the cooperation of shippers has been recently demonstrated in the matter of car efficiency. Without tariff restrictions voluntarily a large increase in the heavier loading of cars has been secured.

### Appointment of the Transportation Committee

To properly deal with transportation problems the appointment of the transportation or traffic committee is an important matter. The members ought to be business men big enough to see the problems of the carrier as well as those of the shipper—men not afraid to acknowledge when the carrier is right, and with courage to insist upon a solution of their problems when they are right.

It is not necessary or helpful that representatives of the transportation companies should serve on these committees. As a practical matter, submitting any problem to a committee so constituted means that the shipping members and the carrier members will confer among themselves and the meetings of the committee will only be joint conferences. We may as well be frank about the situation, appoint the committee of representatives of the shippers and then have all the joint conferences desired, in fact, insist upon them.

### Educational Work

The work of education is an important one and should include the general public, as well as the membership and those employees of the membership who directly handle their transportation matters. It is deemed helpful to accept every opportunity offered to reach the public outside of the organization in an effort to get as wide as possible a dissemination of information. The opportunities for doing this with transportation problems are not as numerous as with more popular subjects, nor do they lend themselves as well to this method of handling.

The real work is with the membership. It is important that they be informed as to what your problems are and the solution proposed. This is accomplished through your publications, circulars and the public meetings of your organization. Particularly in public meetings there is room for more discussion of transportation questions.

There is an important educational work to be done with the transportation committee. The committee must be free to reach its own conclusions if it is to have a real part in the work. The members of the committee, however, can not be expected to have sufficient information on these matters and it is up to the traffic manager to keep the committee informed. If this view is impressed upon the member of the staff handling transportation problems it will be helpful to successful work. The committee should be given the necessary data and suggestions, but the idea of education of the committee should not be overlooked. There are many matters of local and general transportation conditions that are not necessarily subjects for action by the committee, but of which its members should be informed.

A phase of education through the commercial organization in transportation matters that is more generally recognized is



the work done with traffic managers and shipping clerks of individual firms in the community. In some organizations only the shipping clerks are reached and in others both groups. In the purely educational work of this character we are trying out the experiment of including representatives of the carriers. Questions are brought up for discussion and we have had the benefit of getting the views of both sides expressed to mutual advantage.

The topics for discussion with the traffic managers are necessarily different from those taken up with the shipping clerks. The traffic managers discuss rate adjustments, handling of tariff files, preparation of claims, rulings of the Interstate Commerce Commission, etc.

With the shipping clerks we have covered in detail such questions as the proper description of commodities, packing, marking and billing of shipments, principles of routing, etc., emphasizing the relation of these matters to proper, prompt and safe delivery and the assessment of correct transportation charges. Many shippers and their shipping clerks do not appreciate the importance of these simple matters to a determination of the cost of shipping, nor the extent to which their shipping methods set at naught their best advertising and salesmanship efforts.

This kind of education is important because it prevents trouble and that should be the purpose of the commercial organization. Proper transportation facilities, rates and service may be available and not intelligently used.

Examples of the points emphasized follow :

Describing a commodity by a trade name not contained in the freight classification which may result in a higher rating. We had actual illustrations of that being done.

Failure to fully describe the contents of a box by omitting some article taking the highest rate of any in the box, thus violating the law and being subject to penalty if it should be discovered.

Giving a description of an article without designating the state of manufacture, whether a crude or other than crude commodity where that information is necessary, omitting to state whether liquid or dry, which sometimes makes a difference.

Using the term box, barrel, crate or bag indiscriminately.

Shipping articles as a complete article when they could be separated, or shipping them set up when they could be knocked down, causing excess charges.

Failing to remove old marks from boxes resulting in shipment being forwarded to wrong destination.

Omitting the name of the county when there are two towns or cities of the same name in the same state.

Routing in a manner that does not take advantage of the cheapest route.

The above illustrations indicate the variety and practical nature of these questions. These are matters of everyday shipping transactions. The number of claims, the overcharges, the unnecessary correspondence, the friction caused, are not theoretical. They are actually happening right along. Where possible to do so we have given actual cases. We have also used the stereopticon in showing the condition of packages due to improper packing, use of old cases, or failure to properly close a box. This kind of work is carried on by many organizations.

### Specific Services Rendered

The specific services rendered in the regular work of the department are simply stated but cover a very wide field. These services divide themselves into two general classes, specific service for the individual shipper and the service for the community as a whole.

Speaking of the former, first attention may be called to the giving of specific information in answer to inquiries. These questions include rates, routing, classification rules and descriptions, what to do in some particular case of a shipment lost, damaged or delayed, handling of claims, etc.

Answering these questions requires the maintenance of a more or less extensive tariff file of the steam and electric railroads, and of boat lines, decisions of the Interstate Commerce Commission and state commission, rulings of courts and considerable other similar information.

These questions are often complicated and difficult to answer. They require for a proper answer not only information but a large measure of diplomacy. Many of these questions come to the traffic department of the commercial organization as a last resort. The traffic manager must be fair and honest in his judgment, ready to insist upon the rights of the shipper, but willing to tell the shipper when he is in error. Many of these difficulties arise from a failure on the part of the shipper to do the right thing in the first place and lack of information as to how to file his claim for any loss sustained.

Examples of how some of these matters must be handled may be given as illustrative:

Shipper called up and complained because the carrier had requested copy of the original invoice on a shipment where that was the proper evidence of the value of the shipment. He wanted to know if he was obliged to furnish it. He was asked how else he proposed to satisfy the carrier of the amount of the claim. He stated that the invoice did not show the amount he was entitled to because he had given a lump sum in his claim, part of which was an extra amount added for the trouble of preparing the claim. He was told very promptly that this was not a legitimate item.

A shipper routed several cars of freight via a line over which a through rate was in effect to destination. The cars were loaded on the line of another carrier by the shipper who had a private sidetrack. It was intended that the car should move in switching service to the line over which routed. Shipper, however, delivered the bill of lading to the switching line without any further directions. That line, therefore, took a haul to a junction point with the line specified in the routing. The through rate did not apply that way. However, there was a lower combination via another junction than that via which the shipments moved. In this case the shipper had to be told that he had made an error in delivering the bill of lading to the switching line without any further directions and that this line was justified in taking a haul. The railroad, however, was told that it must not apply the combination which was charged but the lower combination.

A shipper forwarded two shipments on the same day to the same destination, one by express to insure its delivery that day, and the other by freight to make delivery by the next morning, the purpose being to get a portion of the goods to the customer that day to carry him along until the balance should arrive in the morning and at the same time not pay express charges on more than a portion of the shipment. Express company did not make delivery until the next day and after the freight shipment had been delivered. Shipper refused to pay express charges. He claimed he had not received express service. Shipper had to be advised that while it was true that the express company had failed to make proper delivery, as a matter of law he would be obliged to pay the charges.

Shipper received a shipment of a commodity sold by weight. In weighing the shipment on scales in his warehouse he discovered that there was a considerable loss and filed claim. Carrier claimed the loss was due to evaporation of moisture. The matter was taken up with us and we secured scale weights of the custom house, this being an import shipment upon which duty was paid. Using these weights and deducting the possible shrinkage we insisted upon payment of claim. The carrier had agreed to make only a partial settlement. We secured practically full settlement on the basis of the figures submitted.

Cases of this kind could be multiplied showing how the traffic manager must endeavor to determine each case on its merits. The specific services rendered the community are not as numerous as those rendered the individual, but they often involve a great deal more and are of the utmost importance.

The larger communities generally confine their work to these community problems, giving information in a limited way, and only advising with members on claims and other such matters. The smaller communities, on the other hand,



emphasize the specific services to the individual to a much greater extent. In most organizations there is a tendency toward extending these specific services as required. No rule can be formulated to govern the policy in this respect. Local conditions and the demands of the membership must determine this question. In handling these problems the organization should guard against this work deteriorating into mere collection of claims. The work should be conducted on a broad basis as genuine traffic service and with a view of preventing the recurrence of errors that can be avoided.

Under the heading of the services to the community come all of the important questions of protecting a community in its relative adjustment of rates and service as against competing centers, improving and extending local facilities, securing support for the passage of necessary state and federal statutes and preventing the passage of unnecessary and unwise laws.

When these questions come up the community that is represented will get its viewpoint considered whether before commissions or carriers. It is not always the things that are secured in these proceedings that are of the greatest importance, but what is prevented may be as important. Locally the extension of switching arrangements, additions to freight-house facilities and similar matters should be given attention.

Illustrations of the effect of rate adjustments could be referred to, but I desire to emphasize just one point. A discrimination of only a few cents per hundred pounds amounts to a considerable amount in total for a community in the course of a year. However, it is not only that but the fact that business may seek other communities that must be considered.

Without discussing the merits of the particular case which may be familiar to many of you, I have in mind an instance where an effort was made to divide a certain defined rate territory and secure the application of a lower basis of rates to a portion of it. That this action would have been favorable to the one portion and a disadvantage to the other is apparent without argument, whatever the actual result may have been because of other considerations. A case was decided some time since in which a rate adjustment to a community of not many cents per hundred pounds gave to that community the full benefit of certain power developments which had been largely offset by the previously existing adjustment.

In certain instances of commodities that are particularly responsive to the rate situation, the territory of distribution is almost entirely controlled by it. In these matters the services of a trained traffic official with a knowledge of the general rate situation throughout the country and its development is essential.

### The Small Community vs. the Large City

There is a great difference in the application of the methods referred to in the community organization that employs a traffic official and the organization where the secretary must handle these problems. Every organization that can find a way to do so should secure the services of someone familiar with traffic work. There is no other real answer. With a view of bringing the subject up for discussion, however, I will attempt to make a few suggestions that may be helpful to the secretary in dealing with these problems.

The first suggestion is that the secretary should be a close student of a standard traffic publication. Much information on other subjects is gained in that way and much can be obtained through that source by transportation subjects provided the publication consulted is one that covers current events.

Many small communities have some industry that has a traffic manager or another official more or less familiar with transportation matters. Draft him into the service. Keep in touch with the local railroad representatives and encourage them to consult with you and inform you of changes.

By developing a habit on the part of your members of bringing to you their problems and giving them intelligent investigation, a great deal of information will be obtained. In investigating these matters discuss them with other shippers, with representatives of the carriers, form the acquaintance of your neighbor organization that has a traffic official; he will be glad to assist to a reasonable extent; you will get more out of this than you expect. This kind of investigation will bring out some of the real problems of your community. You will probably find a number of members having the same difficulty and that will lead you to something that needs attention. A strong transportation committee of men who come in touch with these matters in their own business will develop much information in a discussion of these problems.

The question has been asked what could be accomplished

by the employment of a railroad rate clerk in the organization. For the routine matters of answering many of the inquiries made and furnishing the secretary with information, such an assistant can be of much use. Care should be exercised in getting someone intelligent enough to get the organization viewpoint. There are some excellent traffic men who lack this requisite of organization training and who would not be successful in this work.

The more important the city, the more important its problems and the necessity for a high-grade man, but there are many communities where the organization is sufficiently strong and the needs of the community important enough to warrant securing the services of a traffic official if the members could only be made to see the benefits.

### Cooperation With Other Organizations

There are questions that are not strictly local and that should be handled through cooperation with other organizations. In this connection I wish to refer to the one national organization which has the support of commercial organizations, namely, the National Industrial Traffic League. It has in its membership the traffic officials of many of the commercial organizations of the country. This organization has been very helpful to organizations that have no traffic officials through answers to inquiries submitted to its headquarters and through the information contained in its circulars and the printed proceedings of its meetings.

It has carried cooperation with the carriers to the extent that it is frequently in conference with committees and representatives of the American Railway Association. This railway association and the league have been recognized as the national representatives of shippers and carriers by the Interstate Commerce Commission.

### Conclusion

The Chamber of Commerce of the United States sent out quite a complete questionnaire as to the traffic bureaus in the different organizations in its membership. The result of this investigation was published and distributed in pamphlet form. It is worthy of your careful reading.

Particular points emphasized in this paper are:



Necessity for commercial organization viewpoint in dealing with transportation problems.

Importance of transportation problems to the organization.

The commercial organization the unit in the community, and the traffic bureau a department of the organization.

Reasons why these problems should be dealt with within the commercial organization.

Relation of traffic department to the organization as a whole.

Cooperation with the carriers.

Personnel of the transportation committee.

Actual handling of transportation problems. (a) Educational work. (b) Specific services rendered.

1. To the individual.

2. To the community.

Suggestions for handling these problems in an organization that has no traffic official.

Cooperation with other organizations.

## CHAPTER VI.

### Retail Trade Activities

#### Organization Service for Retailers

By LEE H. BIERCE

In discussing this topic one condition must be kept in mind and that is the fact that in the smaller cities practically the entire organization is built around the retail merchants and those closely associated with them; while in the larger cities the retailers form but a committee, bureau or department of the organization. In the smaller communities even the securing of new industries, good roads, regulation of charities, the betterment of train schedules, etc., are retail activities. In the larger organizations these activities are handled by separate committees or bureaus far removed from retail interests and are never looked upon as retail activities.

In the general cycle of merchandising there are four groups of business interest involved: The producer of the raw product, the manufacturer, the wholesaler and the retailer. To illustrate: In the manufacture of breakfast foods we have the man who raises the grain, the manufacturer of the food, the wholesale grocer and the retail grocer. Should the retail grocer fail in business he owes his bank and the wholesaler; should the wholesaler fail he owes the manufacturer, and should the manufacturer fail he is indebted to the producer of the raw product. The reverse of the situation is not true. The producer is never indebted to the manufacturer; the manufacturer does not owe the wholesaler, and the wholesaler never owes the retailer. Therefore, the most important man in modern merchandising is the retailer, for upon his success depends the entire success of all the other groups. The retailer should be the strongest mentally, financially, and in every other way. He should be the big man of the community, the one who leads in all matters of civic pride and activity. However, we know this is not the case and that men of small means, limited education and limited aspirations drift into retail merchandising

Therefore, it becomes necessary for the banker, the wholesaler and the manufacturer to do a lot of thinking for the retailer; it is necessary for them to solve the retailer's problems for him. In other words the commercial organization finds more to be done for the retailer than for any other class of membership.

### Dependency of Retailer

Again, the retailer is dependent upon the community for his very existence. He is dependent upon better conditions in the community for better conditions in his business and the development and growth of the community for a development or enlargement of his business. Then he is the one man who should be more concerned over the future progress and prosperity of the community which he serves than any other class of membership in the commercial organization. He should pay more and work harder. As an illustration, permit me to say that one per cent of the furniture manufactured in Grand Rapids is sold at retail in that city; a wholesale drug house there has several thousand customers but only seventy of them are located in Grand Rapids. Therefore, the furniture manufacturer and the wholesale druggist are less concerned about the future development of the city than the retailer who disposes of all his merchandise to the citizens of the very community which he serves. Whether the retail merchant of your city is the one who pays the most for his membership and is the member who is the most active in the organization to make your city a bigger, busier and better one may remain an unanswered question. Nevertheless, the fact still remains that he is the man you do the most thinking for; he is the man you work the hardest for and are the most concerned about.

Whether the service rendered for the retailer by your organization is handled by the secretary, a separate executive or a fully organized bureau is a condition which depends largely upon the size of the organization and the city served and is of little moment at this time. We are proceeding on the assumption that there is either a bureau, department or committee organized for the purpose of considering the problems and activities of the retailers and that this committee is in session waiting to be told what to do. Some of the principal activities of practically all commercial organizations, activities of interest principally to the retailers, are as follows:



### Activities of Interest

(1) The investigation and endorsement of charitable and social welfare organizations; the selling of tickets and soliciting of advertising should be regulated and controlled by the commercial organization for the benefit of the retailers principally. While all classes of membership are interested in this particular activity, the burden of supporting these institutions falls heaviest upon the retailer and if your retailers are awake they will see to it that this work is efficiently done by the commercial organization and in turn they should support this work the strongest.

(2) Every city of five thousand population or over can and should support a credit rating bureau for the use of the retail merchants. In the smaller communities it is possible to build up and hold together a commercial organization by maintaining a commercial rating bureau. This one activity is sufficient excuse for a commercial organization to exist. In some of the larger cities these bureaus are operated privately. It is the general opinion that this condition is satisfactory provided the private concern operates efficiently and in close harmony with the retail interests. If not, then the commercial association should take over, perfect and maintain the rating bureau. While such a bureau is operated in the interests of the retailers, its moral influence upon the entire community should not be underestimated.

(3) The securing of conventions is of vital interest to the retail merchants. This is a work that can be best handled by the commercial organization. In the larger cities separate bureaus are maintained for this particular activity and in some cities separate organizations, such as the Detroit Tourist and Convention Bureau, exist. The securing of conventions is conceded to be one of the very best forms of municipal advertising from which both direct and indirect benefits are derived and the retailers are the members of the commercial association most concerned and frequently this activity is made one of the retail merchants' division.

(4) Spring and fall openings and fashion or style shows are rapidly developing into important annual events and are, of course, strictly retail affairs. They can best be conducted by the commercial organization and should not be allowed to get into the control of newspapers or private parties. All the general arrangements such as the joint publicity, decorating of the retail district, fixing of the dates, securing of band music, etc., should be made by the retail bureau of the commercial association.

(5) Dishonest advertising injures the entire community. It destroys confidence and drives trade away from the city. The honest retailer suffers with the dishonest one, and so long as the latter remains in business the honest retailer is at a disadvantage and handicapped in the proper conduct of his business. The commercial organization should stand behind the honest merchant and uphold him at every turn of the road. This should be done even if the association loses the membership and support of the merchants who employ dishonest advertising and selling methods. Proper city, state and even federal legislation should be enacted into law seeking the elimination from the retail field all dishonest merchants, and the commercial organization should make it one of the activities of its retail division to not only secure but have such laws rigidly enforced.

(6) The commercial organizations should see to it that proper state laws and city ordinances are passed seeking to safeguard the retailer against the itinerant merchant, peddlers and transient trader; also legislation controlling auction, bankrupt, creditors, railroad wreck and other kinds of sales.

In doing this the organization is protecting the consumer against fraud just as much as it is protecting the legitimate merchant against unlawful competition. After these laws are passed the enforcement of them should be part of the service rendered the retailer by the commercial organization.

(7) Special trade days such as "dollar days" and "suburban days" should be events promoted and controlled entirely by the commercial organization for the benefit of the retailers. If railroad fares are to be refunded, special trains operated, or general advertising of the event conducted, it should all be done by the organization. These events are more successful and more permanent when fostered by the commercial organization than by the newspapers or other outside interests.

(8) In the smaller communities the commercial organization should decide what days are holidays on which the stores will be closed all day and the ones on which but a half-holiday will be observed. The organization should also determine what evenings the stores should be open. Then the matter of Saturday closing hours has been handled by the commercial organizations in the larger cities. It is frequently necessary for the retailers to work in harmony with the manufacturers so the stores will be open on the evening of pay-day. This is a situation frequently developing in the smaller cities and should be worked out by the commercial organization.

(9) A careful study or survey should be made by the commercial organization of the delivery systems used by the retailers with a view of determining the cost and whether or not a cooperative system would be an economy and at the same time maintain adequate delivery service. In one small city seventy-two independent delivery rigs were displaced by twelve cooperative rigs with an addition of four on Saturdays. In all probability approximately the same reduction in the number of rigs and the same curtailment of expense could be effected in almost every city.

(10) In several of the larger cities the returned goods evil was well under control months, and even years, ago. This matter has now been brought forcibly to the consideration of all commercial organizations by the Board of Economy of the Council of National Defense. This condition and many others brought about by the war will have to be considered by commercial organizations in the interest of their retail members. It is an ill wind that blows nobody good and there will be many profitable lessons we can learn from the present conditions thrust upon us on account of the war, and that city which gives the most careful consideration to these problems is the one that will reap the greatest benefit, and the live commercial organization will handle all these problems as they develop and do so in the interest of the retail merchant and the trade he serves.

(11) The study of retail salesmanship is rapidly developing as an activity in which retail merchants are taking a greater interest. It is almost impossible for the retailer to employ trained help unless he secures it from his competitor or fellow merchants. Commercial organizations should assist the retailers in correcting this situation and they can do so by bringing to their cities sales experts to address both retailer and employee. The conducting of classes in salesmanship in the night schools, business colleges and Y. M. C. A., courses should be encouraged. It is also conceded that proper retail salesmanship will greatly reduce the volume of returned merchandise and indirectly assist in solving that particular evil.

(12) Several organizations report that they are now assisting their members in preventing shop-lifting and the passing of fraudulent checks.



Information is circulated quickly from one store to another warning against persons of a certain description. This information is also sent to nearby towns for the purpose of protecting the merchants of those communities. Systems have also been adopted whereby information about clerks is circulated among the members of the retail divisions of some of our larger organizations. This information is for the purpose of preventing inefficient, drinking and dishonest clerks from getting another position. Clerks who quit without giving sufficient advance notice are also included in the list. It would be practically impossible to furnish such service except through the commercial association.

(13) The retailers in many cities have acquired the habit of giving special discounts to certain people such as ministers, teachers, actors, clerks from other stores, employees of city institutions, etc. Now many of these merchants would like to get out from under this habit. The matter can best be handled and the problem solved by an agreement among the retail members of the commercial organization. Again we discover a desired result almost unobtainable without the assistance of a commercial organization.

(14) The practice of granting a discount of ten per cent to dressmakers is one that has been very largely indulged in by the dry goods and department stores of many of our larger cities. That this practice was being greatly abused is revealed by the fact that when one commercial organization brought about the ruling that only those dressmakers employing two or more helpers were entitled to the discount the number enjoying this privilege dropped from two thousand to 150. This is strictly a service to be rendered by commercial organizations for the retail members.

(15) While the improvement of the highways, or in other words, "good roads," is seldom looked upon as an activity in which the retailers should be especially interested, nevertheless it is that division of your membership that reaps the greatest reward through the construction of better roads. Many retailers have confessed that good roads have not only helped to increase their business but have made it easier for them to combat mail order competition. With the general use of automobiles on the part of the farmers it is now more essential than ever before that all roads leading into your city be improved and properly maintained and the retailers are the ones who should interest themselves in this movement. Signboarding and the proper posting of the roads are also important.

(16) Many of our cities have boulevard lighting systems in the retail districts and invariably this improvement was secured by the retail division of the commercial organization. The proper lighting of the retail district is very important and certainly should be looked after by the retailers themselves working through their organization. Other problems of a municipal nature frequently interest the retailers, some of these being the proper routing of street cars; the size and position of outside display cases and advertising signs; proper schedules on suburban trains; the cleaning of sidewalks in the downtown district, etc.

(17) Trading stamps are now looked upon as an uneconomical factor in merchandising and their extermination should be sought. This is, of course, a matter of legislation and a difficult one at that, but the time has arrived when all unnecessary factors entering into the sale of merchandise should be eliminated. These would include the giving of trading stamps, voting contests, the giving of premiums and the extension of credit on too liberal a basis. The desired results can be obtained only through the co-



operation of the retailers and this cooperation would be impossible without a commercial organization or the forming of a new organization which amounts to the same thing.

There is unquestionably more lost motion, less efficiency and more waste in retailing, as it is conducted by a vast majority of the retail merchants of this age, than in any other phase of business. Delivery systems overlap, are cumbersome and too expensive; credit is frequently granted in a very unsatisfactory and unscientific manner; salespeople are poorly trained and unqualified; advertising is misleading and frequently dishonest; competition being keen, trade evils and abuses are practiced on a large scale and, all in all, retail merchandising is on an absolute unsatisfactory basis. Manufacturers maintain retail service bureaus and wholesalers conduct merchants congresses with the sole purpose of elevating retail merchandising methods. Picture if you can a group of retailers getting together and conducting a meeting for the purpose of elevating wholesale merchandising methods. The truth is that the manufacturers, wholesalers and others are trying to solve the retailer's problems for him, they are thinking for him. Under these conditions the deduction is apparent that not only must the retailer be exceedingly active in the commercial organization but the commercial organization must be exceedingly active for the retailer even if it has to be done through a manufacturers', bankers' or jobbers' committee.

## CHAPTER VII.

### A Plan for a Temporary Exhibition

By JOHN M. GUILD

When a secretary is moved to initiate a home products exposition or his organization undertakes one, what should be the first step, and what should be the entire program? It is the purpose of this paper to provide specifications.

There are two kinds of home products expositions—the temporary and the permanent. This paper deals only with the temporary. It has no bearing whatever on the permanent displays of home products that many cities have, especially in the south and on the Pacific Coast. There are two kinds of temporary expositions—the kind gotten up for entertainment and possibly for profit, and the kind gotten up for trade promotion and for education. The first invariably attracts great throngs that carry away not much more than the pleasant taste of a good time, whereas, the other, properly planned and managed, becomes as it should be a valuable, long remembered and important event in local history.

Why should time and effort be invested in a hastily gotten up glittery thing, when careful preparation will bring forth an exposition that will be not only creditable to the organization back of it, but will promote greater recognition of the organization's leadership, greater confidence in it, greater knowledge of home products, more business and, therefore, better times? But there are two classes of people, those that want to be entertained and those that seek knowledge. Both must be interested. All are purchasers or consumers, and greater home patronage is one of the cardinals of such an exposition. Therefore, in planning an exposition, the necessity for striking a medium between the two extremes is important.

The main essentials are three. There must first be a good reason for having an exposition. This involves not only the object sought to be attained, but the timeliness. Whether or not manufacturers can afford to put on the right kind of exhi-

bition must be taken into consideration. The second is a good show. It must be that in these days of twentieth century perfection. The third is a good attendance. With a good purpose, a good show and a good attendance an exposition successful in every way is assured.

So much for general principles. Now for details and a plan of campaign which, for purposes of simplicity, have been classified into five main headings: Purpose, organization, preparation, operation, results.

Under purpose are five sub-divisions that cover the principal reasons for an exposition. These are promotion of trade, education, cooperation, advertising, profit.

As a general proposition, the first purpose is the promotion of trade, unless the exposition is being promoted by traveling professionals. The exposition is, therefore, intended to show the home people first everything made in their town. The average citizen, yes, and the average business man, keen though he may be, has little conception of what is made behind his neighbor's factory walls. He is so engrossed with his own affairs that he couldn't, to save his soul, tell whether or not some common article of use, that he himself doesn't handle, is made there. If that is true of home people, it is more so of strangers and an exposition should aim to also reach the outside trade.

To promote trade, the displays are supplemented whenever possible by the distribution of descriptive matter and frequently samples. The latter is more common in the case of foodstuffs, but in paper, metal and wood working lines, attractive little souvenirs, often the articles in miniature, are given out. The value of these depends on the articles advertised, its merit, class of people reached, etc. The practice of giving out something is recommended, especially for its power in drawing a certain class to the exposition. Although drawn there largely by the attraction of something for nothing, they cannot attend without some good resulting.

A survey of expositions held shows but few cases where the articles on exhibition are confined strictly to home products. The first step away from that rigid classification is to permit the exhibition of articles of outside manufacture that do not compete with a home production. The next and commonest procedure is to allow any bona fide manufacturer, jobber or merchant to show anything made or sold there, in the regular



course of business. This of course lets in the retailer, the automobile dealer and other classes, not only desirable but frequently indispensable if the exposition is of any great magnitude.

One thing invariably prohibited is the selling of anything from the exhibits, and it should be. An exposition is meant to be promotional of interest in the goods shown, and if exhibitors want visitors to try their wares they should furnish free samples. Booths are not intended to be selling places, and it is somewhat to the discredit of the exposition management that permits such sales. The average exhibitor will be satisfied to show his goods and take orders. This, of course, is independent of concessions.

### Educational

If the purpose of an exposition is along the lines so far indicated, the educational value to the community will be very great. To impress home people with what is made in their town, get them to try the home-made article, whether cornmeal or a washing machine, impressing them with the quality or superiority to the imported article and thereby get them to talk it among themselves and to outsiders, means an invaluable ally to the other recognized advertising methods. All of this means a greater home consumption, and there is no better advertisement than the general use of a home product. This use unconsciously develops a home pride and creates a natural confidence in everything else made there. It makes a citizen more readily responsive to other calls for civic patriotism. It knits the community more closely together and develops a better spirit in every way, one that may be capitalized to almost any extent by the local commercial body.

### Cooperation and Advertising

If another purpose of the exposition be working up a spirit of cooperation, this is a splendid medium. In the average community manufacturers are prone to work along independently, bear their own burdens, fight their own fights, overlooking the fact that this is the day of cooperation. An exposition brings the different exhibiting interests together, and, being for a common purpose, creates a closer fraternal and commercial spirit, even among trades widely different.

If the purpose of the exposition is community advertising, no city or town can have a better medium. As the big national

and international expositions, held years apart and in different parts of the country, are milestones of progress in manufacture, science and art, so is the local exposition a positive evidence of the progress in that community. The effectiveness of it as an advertisement depends on how widely it is advertised, whether only locally, in very nearby towns, in all trade territory or beyond.

### Profit or Deficit

If the purpose of the exposition is financial profit, that will, to some extent, detract from the reputation and dignity of the proposition. Fortunately, profit is generally of secondary consideration and means to guard against a deficit rather than gain a profit. But in estimating the probable expenses and income, it is well to figure on a safe margin so that contingencies will be provided for. No profit should be made from the exhibitor in any way. He is a partner in the enterprise. Without him there can be no exposition. He must be treated right and given everything possible for his entry fee. Many expositions plan to open their doors with all expenses up to that time met, so that if bad weather should ensue, the management will be mighty glad they did not figure on admissions to meet the overhead expense. It is noticeable that where there has been a profit as the result of playing safe, it generally goes to the local organization to be reinvested for the benefit of the community. It is well to announce in advance, where there is likelihood of the question being raised, that this is what will be done. It can be shown that, whatever the admission charge is, it will be but a very nominal tax on the tens or hundreds of thousands of people who attend. The success of the exposition depends very much on its purpose.

### Organization and Plan

Under organization are the sub-divisions, preparedness, plan, officers, committees, rules and regulations, and building.

Organization means preparedness. If the exposition is to represent more than just the circumscribed ideas of a community, without the benefit of a wider horizon, there should be gathered from every other exposition recently held, the best ideas that have been developed in each. If possible, some expositions should be visited. In any event there should be ascertained and classified such information as where and when held,

time of year, number of days, detail on nature of building, area, how exhibit space laid out, charge for it, kind of organization, details of admission and attendance, main items of expense and all other data procurable. In this paper these are treated to the limit of space and of time.

In planning an exposition the probable demand for it should be well considered. This means whether or not the local manufacturers and merchants may reasonably be expected to support it. Call together those for it and those lukewarm or cold and "sell" it to them as a good salesman would any other intangible thing, but see that it is presented to them in a definite form. They should, if possible, be convinced at the outset, no matter if this seems to delay the project. But the few who still hold out are likely to be won over, as the plans, if they are what they should be, are developed and worked out.

A canvass shows that the local commercial organization is the general and natural instigator of such an exposition. That fortunately insures in the nature of things a good organization. A little working body of about eleven men, who become the governing board and mainspring of the movement, has been found good. These eleven should be workers. No room there for any other variety, not even the prominent citizen whose name would look good at the head of it. The head must be a live wire and a leader. It is desirable to have a larger body interested in the project, to back it in a moral sort of way by the use of their names, and interest them more readily as prospective exhibitors, so an advisory committee of fifty or one hundred is effective. Of course the responsibility is with the smaller body and, while the larger may be called "advisory," it should be in reality a body to report to and consult with.

### Officers and Committees

If, for the protection of the few who have to father such a job, it is deemed wise to incorporate an industrial exposition company, and this is recommended, it calls for the usual officers, instead of chairman, etc., and instead of an executive committee, a board of directors. In choosing officers, choose them for their fitness, each to assume the chairmanship of a committee and to carry the responsibility of a fixed piece of work.

As in a commercial organization, so in an exposition organization, a number of committees is necessary but these



should, however, be kept down to a minimum. Not more than ten are recommended. It is suggested that there be, in addition to the executive committee or board of directors, a finance committee, of which the treasurer should be the chairman. To one member of the governing body should be assigned responsibility for exhibits. This means selling space and securing exhibits. Of this there should be a sub-committee to look after installation of exhibits which later is a job in itself, especially to induce exhibitors to get their stuff to the building and into place. The booths committee is an equally important one. To it should be delegated responsibility for all general construction work inside the building. The publicity committee is a veritable keystone of the whole thing, because, without ample publicity, the best laid and executed plans would be like the light under a bushel. Admissions and check-room should be one committee's task, concessions another's, entertainment that of another, and there should be one committee exclusively for safety and comfort. That makes ten, including the governing body.

Under organization comes preparation of rules and regulations. These should be specific. In addition to covering other details, they should at the outset, declare who are eligible to exhibit, whether just the local manufacturers or also those who sell outside made goods. The charge for space should be announced and what such charge shall cover in the way of decoration, light, power, water, etc., all of which should be included in the charge for space. The rules should also determine the status of concessions, lotteries, smoking, etc.

### Building

One of the first steps is to determine where the exposition shall be held, whether or not there is a suitable building available, and if not, what must be done to meet that need. One of the essentials to success, especially in larger cities, is a central location. In smaller places it seems to make little difference where an exposition is held but a central and easily reached location is an important factor in large cities, involving as it does, accessibility from the business district, on foot and by transportation lines.

It has been found that where a big enough and well located building does not exist, a new factory building answers the

purpose splendidly. In fact, there is a marked relation between a fine new factory and an exposition project. A new factory building, of proportion sufficient for an exposition, is indisputable evidence of business prosperity and expansion. It, therefore, proves the timeliness for putting on an exposition. If the use of such a building is contemplated the suggestion is made to get in touch with its owners about the time the first brick is laid. By thus taking time by the forelock and working up the exposition while the building is going up, an exposition much better than if hastily planned is assured.

### Preparation

Under preparation must be treated exhibits, booths, finance, publicity, service.

In order to make the exposition comprehensive, representative and still popular, some preliminaries must be noted. One of the first steps in preparation is for the governing body, working with the finance committee, to prepare a comprehensive budget. This is based on the estimates of the chairmen of committees, to show what amount of money is likely to be needed by each committee. This determines what will have to be charged for space. At the same time should be determined the charge for admission. This ranges generally from ten to twenty-five cents, with the smaller charge in greater favor. Dates for the exposition should be decided upon as well as what day of the week it shall open, whether in the day time or evening, and the hours that the exposition will be open each day. It is recommended that the exposition be opened on an evening toward the latter part of the week. This will force completion of all work, and the end of the week will see installation fully made. In conducting an exposition Sunday is invariably respected.

Under no circumstances should the installation or the changing of exhibits be permitted during open hours. The rule should be rigid, and if the exposition is not opened until ten o'clock of each day, and this hour is recommended, with the closing hour of eleven P. M., this affords sufficient time for rearrangement of exhibits and all changes.

### Exhibits\*

Exhibits should be classified into different floors or sections. There should be well defined classifications, such as

machinery hall, automobile show, electrical exhibit, floral hall and others.

Experience shows the most successful expositions to have furnished free power, as an incentive to use it in putting on "live" exhibits. The same should be done with gas and water. Instead of penalizing those who use these it should be the other way, as an inducement to make the exposition fairly hum with life. This is one of the difficulties of all expositions however, and a canvas shows more or less disappointment with the number that do take advantage of free power, gas and water. In many instances where a "live" exhibit is not possible, interesting exhibits are made by showing goods from the raw material to the finished article or processes of years ago compared with processes of today.

As a help in working up attractive exhibits, the employment of an expert, possibly some ex-window dresser, as a superintendent of exhibits, is recommended. This for the reason that many imagine that they have little to exhibit, and that more or less unattractive. This man will work out with them something satisfactory and will prove a good investment in helping to sell space.

Regulation of the height of exhibits is an important thing. That depends on the height of ceilings, of partitions, and other physical conditions. Harmony with adjoining exhibits should be compulsory so that the general plan and decorative scheme will be preserved.

### Booths

In determining floor plans, the size and shape of booths, width of aisles, etc., an architect is recommended, if his services can be secured as a member of the booths committee. Great care should be exercised in laying out the space so that a maximum will be available to sell, but that spaces may be so shaped that they will be most acceptable to exhibitors. It has been found that a greater frontage than depth is desirable, in the ratio of about four to three. Exhibitors want all the frontage on the aisles they can get.

A rigid plan for booths for the entire exposition is unwise. The dispenser of food products wants a very shallow booth, a wide front with a counter, whereas the automobile man wants half an acre if he can have it, and will take it in almost any shape. In this connection, while a fixed rate per square foot



should be used for the whole layout, it should be used only as a basis. A booth rate should be established. This means snowing on the floor plans, the layout and exact dimensions of every space, with the price for each booth. It means also charging a premium for the more desirable spaces and selling the less desirable at something below the standard price. Spaces should be reserved, as may be necessary, for exhibits of charitable organizations, schools, art collections, etc., and for these no charge is made.

Wide aisles, much wider than seem necessary, should be provided. Provision should be made for maximum crowds. Aisle widths depend on the shape and area of the building. Where the building is long and comparatively narrow, the most practical for the handling of crowds, a double row of booths down the middle, back to back, is a splendid arrangement, with the aisles around the walls. But, if the building is too wide to be used in that way an additional row of booths around the walls is the next suggestion.

It is recommended that a good contractor be employed to build all booths, furnish all material and labor, and later remove booths. To insure the work going along on schedule time the employment of a superintendent of construction to keep in touch with the different committees, the architect and the contractor, is a good investment.

Booths should be built on a uniform plan for each section or floor. Where there are a number of floors or sections, the same general scheme may be followed but with variations in partition details and color scheme. The booths committee should be the authority on all decorations. It should establish a harmonious color scheme and furnish all booths ready for occupancy. Uniform signs should be provided free by the management. Signs in the aisles, or elsewhere than within the exhibition space, should be prohibited.

Provision should be made for the installation of electrical power, natural or artificial gas and vents for same, water and provision for wastage wherever needed, preferably giving all of this service gratis and charging only for any unusually expensive installation. Wall space can readily be made useful for flat exhibits. These may be fastened on artistic panels with good effect instead of on the walls.

### Finance and Publicity

The finance committee should be responsible for insuring the exposition coming out clear, without a deficit. It should have charge of all bookkeeping, and the responsibility for insurance of all kinds, liability, elevator, fire, etc. Fire insurance is considered unnecessary in a fireproof building, provided proper precautions are taken, and for this reason few expositions assume fire risk on exhibits.

Publicity should be comprehensive. It should start from the time the first announcement is made. That announcement should be attractively gotten up and be a prospectus that will tell the purpose, plan and general details of the undertaking. Newspapers at home and in nearby trade territory should be used and plenty of paid space taken. This is considered the best medium of publicity, but it should be supplemented by a judicious use of billboards.

Poster stamps, by the hundreds of thousands, are an attractive advertisement at home and away from home. Exhibitors and citizens generally are ready to use them in great quantities, provided they are furnished without cost. Cards in store windows and surrounding railroad stations, big poster signs in local depots, hangers in street cars, cards on wagons and arrow signs on poles, pointing the way to the exposition building, are all good.

Advance sales of tickets in stores is somewhat helpful, but the issuance by exhibitors of complimentary tickets to their customers, mostly out of town people, is one of the best schemes devised. This is done through an attractive ticket-invitation with the name of the firm on it, charging just what they cost, and billing back against the firm for those later taken up at the door. Special "days" for surrounding towns or local organizations are common. A new feature is the making of exposition week "guest week" and interesting the whole people of the community to bring visitors and friends during that week.

Decoration of the outside of the exposition building, with lights and flags, with search-lights on the roof, to be flashed during the evening hours of the exposition, are splendid features and help intensify local interest. The provision of an official photographer and the regulation or issuance of programs come under the publicity committee's management, as will the securing and publicity of reduced rates on transportation lines.

### Service

Plans are generally made for furnishing, without extra charge, reasonable wiring of booths and exhibits and furnishing current to make exhibits well illuminated and attractive, charge for this being also included in the charge for space. The building must also be wired inside and outside for its illumination. Under preparation must come wiring of the booths and exhibits, necessitating space in the contract blank for exhibitors to show what current they are likely to need. Another thing, occasionally extra street lighting is needed in the vicinity of the exposition building. This makes more or less of a "white way" leading to the exposition, makes it safer for traffic, and better protection to automobiles where parking space might otherwise be poorly lighted.

Under operation are reasons for seven sub-heads: Opening, director, admission, information, selling, entertainment, safety and comfort.

The opening of the exposition under proper auspices and with the right kind of enthusiasm, necessitates some kind of exercises. These may be elaborate or simple. It is urged that where it is not necessary to have parades for advertising purposes, that they be very brief and at the main entrance to the exposition. Whatever they are they serve merely as a publicity handle or as a sort of "kick-off" for the exposition. But in larger communities, the governor of the state or some person of importance may be secured, that adds still more to the advertising value.

To insure the best management during the actual hours of the exposition, one man should be made director and be put in general charge. He should be one who has been very closely connected with all of the details. Through him all plans and policies should be carried out. He should be constantly on the job, and available to the exhibitors, with headquarters in the exposition.

### Admission and Information

Adequate facilities should be provided for the biggest crowds expected. There should be a good lobby into which the people may pour, no matter what kind of weather on the outside. A corps of good ticket sellers, with fast working vending machines, and another corps of ticket takers, are necessary. as well as men near the entrance to direct people in the right



way. Should the building used be of several stories and equipped with elevators, it is recommended that visitors be taken directly to the top floor, and allowed to pass down through the building using the stairways from floor to floor. This avoids congestion on the first floor.

The admissions committee should have charge of the check-room and should handle it itself, to insure best treatment and greatest protection, and also benefit by whatever profit is made.

There should be an information bureau with one or more in constant attendance, equipped with full information regarding the exposition, as well as the city generally. With the information bureau should be a telephone exchange, telegraph offices, mail facilities for handling incoming and outgoing mail, a lost and found bureau, and, if possible, a joint railroad agency. If headquarters, office of the director, etc., are in close proximity to the information booth, so much the better. It makes that point the heart of the whole exposition, to which and from which come and go all authority and information.

### Concessions

It is recommended that concessions be few and that the few be reliable. In order to fill space or derive a revenue, from outright sale of space or on a commission basis, concessions are sometimes sold to professional concessionaires in the business to make the biggest profit. When these are permitted to do business, it is at the expense of the reputation of the exposition. It is, therefore, urged that concessions be let only to local well-known or reputable outside concerns. Better convert space reserved for a concession into a smoking room or a rest room than to fill it with something that will cheapen the exposition. A good restaurant for those connected with the exposition and those of the public who want to patronize it should be provided as a great convenience.

### Safety and Comfort

For the safety and comfort of everyone connected with or attending the exposition, ample provision should be made. If elevators are used, capable men should be in charge of them and there should be a director at each. There should be plenty of signs directing the movements of people. Exits should be plainly indicated. Fire stations should be established in every section with a fireman and apparatus at each. There should

be police at the entrance and exits. There should be plenty of parking space provided for automobiles, and watchmen to look after them. There should also be watchmen in the building to look after exhibits, both day and night, although in the day time it is not as necessary, if the rules and regulations provide, as they should, for someone to be in charge during exposition hours. Provision for drinking water should be made as well as for regulation of heating and ventilating, especially in the winter months.

There should be rest room and toilet facilities on every floor or section and these should all have attendants. Benches for those who tire should be scattered just as thickly as the public space will permit.

A day nursery for children, with attendants, and a hospital with doctors and nurses ready for any emergency, are found in every up-to-date exposition.

There should be a large janitor force for day and night service. In the daytime aisles must be kept cleaned up. In this connection the exhibitor should be responsible for sweeping out and dusting his own exhibit space, so that janitors will not have to go inside the booths. Janitor equipment must not be overlooked, including a sweeping compound if the exposition is held in a new building with cement floor. This is a brief summary of what may be done in providing for the visitors' comfort and convenience.

### Entertainment

What entertainment is necessary is a question for local determination. In the smaller communities it is found that a lot of entertainment is generally provided, everything from vaudeville performance to high diving. For the real exposition it is recommended that lecture halls be provided wherever possible and so arranged that they may be darkened for moving pictures. Exhibitors will be glad to furnish their own reels and lectures, and will use the facilities provided to an astonishing degree. The exposition management can, by judicious choice of films, give very interesting and educational exhibitions. All motion pictures should be without charge. Assurance should be secured that the pictures are wholesome and that the lecture is instructive.

Music is an essential, plenty of it, but consideration must

be given the exhibitor who finds it difficult to impress a prospective customer with the merits of his wares, with the "Hungarian Rhapsody" floating around him or "Tipperary" jarring his nerves. He wants the band or orchestra as far from him as possible. Whatever entertainment is furnished should be in keeping with the basic plan and the standard of the whole exposition.

### Results

These specifications are a summary of the things done in connection with the most successful expositions. Results will depend on how well they are carried out. Results may be credited to four different parties, the public, the community, the exhibitors, the promoters.

By attendance, the public will show the extent of their interest and approval. Barring unfavorable weather conditions the attendance is cumulative. It increases from day to day, as the result of favorable advertising given by each day's attendance. As a general thing the attendance from out of the city averages around ten per cent, depending, of course, on the nature of the exposition and the amount of outside advertising.

Attendance is the index so far as the public is concerned, and if confidence in the leadership of the organization that promoted the exposition is lacking, it is due to a disregard of some of the foregoing suggestions. The exposition should close with a marked advantage to the organization for having successfully put on and conducted an exposition that pleased the public. This can be done. It should be done.

If the exposition accomplishes what it was intended to, the community spirit will be strengthened and there will be a better pull-together disposition than ever. The revelation of home products will be a great education to every citizen and particularly the school children. These will learn whether their city is a producer of implements, cereals, fine machinery or varied articles. They will see in such a display a magnificent and dignified testimonial to labor and the work of man's hands. They will also see the results of twentieth century industrial efficiency and progress.

The exposition will promote a greater patronage of home-made goods. This will mean more business for everybody and consequently better business conditions. The community will also have become favorably advertised on the outside, through



the best publicity medium a city can have. The value of such publicity will be immediately apparent, and will also be permanent.

### Exhibitors

The exhibitors, as one of the principals in the project, generally report fine advertising at a minimum cost, great numbers of new friends made, and lots of orders taken. Exhibitors tell of introductions to prospective customers that they could not possibly have reached in any other way. They report success in the introduction of new lines by getting the attention of the public all at once, and they are generally ready for another exposition.

The results to the promoters of the exposition should be something of a total of the benefits to the people, the community and the exhibitors. If the exposition has been a success for them that is a sufficient dividend for the promoters. But, in addition to that, the exposition should be to the public a fine example of unselfish community work, and if a nice cash balance is left on hand, that is a further evidence of good management on the promoter's part. If, on top of this, a financial statement of all receipts and expenses is published, this means taking the public into further confidence and helps the organization in the next big thing it undertakes in its work of building up the city.

Bear this in mind: The public is often indifferent to the work of an organization, and even some of its members are. Directors and secretaries may slave for them day and night and accomplish great things, but the result of an exposition in the community will surprise in the way it will please the people. It is a spectacular thing, a dress parade proposition, in which they can all participate and which, compared to other work, they can all see. An exposition will awaken them as nothing else will.

## CHAPTER VIII.

### Conventions and Publicity

#### Conventions, Their Cost and Value

By L. H. LEWIS

Conventions unquestionably are a known factor in developing the transient population of a city and in giving a community direct advertising. Every convention is of some value to a city, but the eye of an expert usually is required to determine fully what it is. Only the expert can tell in certain cases whether the cost was greater than the value. Surface conditions do not always indicate the correct value of a convention. It is a grievous error to estimate the complete value of a convention by the money spent by the delegates. There are spend-thrifts in the convention business, and there also are men employed who get excellent returns on the money invested. The actual cost in dollars and cents of financing a convention rarely, if ever, determines its worth. The convention business, as a whole, is exceedingly profitable, but there is a great need for standardization. Much money and effort are wasted. Competition for conventions is as keen as in any other branch of commercial organization work.

Possibly the greatest value of the convention is the publicity given the city where it is held. Any city with a spark of progress invariably seeks to advertise its advantages broadcast. Publicity for a city of the most valuable kind often comes free and unsolicited because of conventions. It is frequently inspirational and usually does not have to be paid for in dollars and cents. One of the best mediums for obtaining this highly desirable publicity—that is so different from any other brand of advertising—is through the convention.

A satisfied convention visitor to any city is a walking advertisement for that municipality. Shrewd advertisers select the publications that reach the greatest number of persons with whom there is a probability of doing business. The cost and the quality of the subscribers to those mediums, of course, are

controlling factors in the selection. Practically these same factors must be considered if satisfactory results are to be obtained in the convention business. There are some mighty good and there are some very bad conventions meeting regularly throughout the United States. There are more brands of conventions than colors in the rainbow. Some cities have been injured more than benefited by the conventions they have entertained. One of the best kind is that which helps local business generally. The convention that, in addition to demanding a bonus and all operating expenses, disturbs local conditions, is a mighty poor one, and should be labeled "not wanted." My own experience, along with the information I have gathered recently, convinces me that to obtain the greatest results in convention work, there should be the highest type of organization. Use should be made of the most modern business methods, and efficiency should be the motto of the organization. The convention business is one of the greatest and most important branches of commercial organization work. It concerns practically every commercial organization in the United States.

Municipal publicity can hardly be separated from convention work. They are closely connected in innumerable ways. Many commercial organizations have seen the necessity and wisdom of organization and system in handling convention work and quite recently there have been established bureaus and departments whose activities are devoted exclusively to this field. Results naturally come with the establishment and operation of a compact, well-oiled organization—a committee, a division, a department, a bureau—that is continually in service. I have failed to find the organization or the individual who professed to know all about the convention game. It really is a game, and the players must continually keep in training if they stand well in the percentage column. Experience gathered in handling one convention is usually helpful in dealing with another. The successful convention bureau keeps records and files that are of almost inestimable value.

No rules have ever been established and no fixed methods devised for either obtaining or handling conventions. What might be a satisfactory arrangement in one city would not work well in another city. The question of handling conventions by cities, particularly in entertaining them and in perfecting local arrangements, resolves itself into the fact that each city has a course of individual treatment.



### Some Conclusions About Conventions

It is not my purpose here to lay down a definite plan for convention work, but I have made several observations that caused me to reach the following conclusions:

Commercial organizations that make especial provision for convention work get the greatest results from their efforts.

Buying conventions is a bad practice and one that should be stopped. A convention that has to be bought really is not worth having. The general tendency among cities now is to offer a meeting place free of charge, assist in making the local arrangements with members of the organization meeting in convention, and help in advertising the convention. It is invariably a mistake for a city to try to get a convention when the local members of the organization are not interested.

Obtaining conventions is nothing more than a high type of salesmanship. A successful convention man is a diplomat skilled in the art of disposing of his goods at the best possible price for the organization he represents.

A small convention frequently benefits a city more than a large gathering. The greatest possible amount of care should be exercised in selecting a convention so as to eliminate the undesirables. This can only be done through proper organization and system for which sad experiences usually pave the way.

More satisfactory results in convention work usually are obtained by having a budget so that those in charge will always be acquainted with their financial condition. Financing convention work has been a mighty big problem with many cities. The general public sometimes fails to appreciate the value of conventions. This also is true in a measure of those who are directly benefited when the convention comes to town.

It is a fatal mistake for any city to endeavor to entertain a convention when it does not have the proper facilities to do so. There is a wonderful contrast between the satisfied and the disgruntled convention visitor. Both always remember their treatment. One is chanting in praises, while the other is continually bellowing in disgust over his treatment. The successful merchant endeavors to wrap satisfaction up in every bundle while the most successful convention organization endeavors to satisfy every convention visitor.

There is a certain class of conventions that is continually watching the horizon for easy prey. There are parasites in the

convention field—more than willing to take all and give practically nothing in return. It is this class of conventions that the experienced convention man will not touch. The unsophisticated led astray by the glowing accounts of the number of delegates and the money they will spend during the convention usually pays the price but once—and no more.

Competition between cities for conventions is very keen and has developed some tendencies that are unquestionably bad. Representatives of some cities have painted a picture of their town that never did nor could exist. This probably has caused some conventions to accept with a grain of skepticism the statements made by some convention men. Probably this is why some conventions ask for almost everything from an appropriation of several thousand dollars to a free meeting place and really expect to get only a small part of what they ask. Many commercial organization executives in the past few years have remarked that conventions have been spoiled. I myself think there has been ample ground for this belief, but I think present conditions are decidedly improved.

Considered from every standpoint the convention that is really worth while to any city, if properly managed and obtained through what are recognized as approved methods, is one of the best community developers on the market. More conventions mean more hotels, more new money and a brand of advertising that money can not purchase. Many cities would not have coliseums had they made no effort to get conventions. Their transportation lines would not be modern had they remained out of this field. Many cities would be without some of their best citizens and largest manufacturing concerns had they not acted the part of convention host. The price of real estate and property rentals would not be as high in many cities had no conventions been held there.

### The Value of Conventions

There are many values to the ordinary convention that can hardly be estimated definitely. A few cities over the country confine their efforts to certain classes of conventions, but the larger cities especially can not do this with any degree of success, for reasons that are obvious. These cities that specialize endeavor to obtain conventions which they believe will give the most benefit to certain lines of business represented in their

town. One of the values of a convention that is difficult to compute is that wrong impressions about a city frequently are corrected when the convention visitor comes to town and enjoys its hospitality. False opinions disappear when the visitor sees with his own eyes a thing that had been pictured to him in a different way.

Here is one of the educational features of the convention. The educational value of the average convention is one of its most important assets. The most improved business methods frequently are taken up for discussion on the convention floor. This invariably acts as a stimulant to local business. Announcements often are made of the latest discoveries in the scientific world. A city neglects golden opportunities when it fails to impress its advantages in every way upon the mind of the convention delegate.

There are about five thousand organizations meeting in convention in the United States. Experts figure that the average convention visitor will spend about six dollars a day. Some cities calculate to spend from fifty cents to two dollars a day for entertainment for each delegate. Most cities follow the plan of either sending a representative or asking the local members to present their invitations to the convention itself or to the committee in charge of selecting the next convention city. Most commercial organizations usually let local members take complete charge of the arrangements for the convention because the expenses usually are kept down to the minimum when this plan is followed. This would not apply, of course, when there are not enough local members to shoulder the burden.

All forms of entertainment are provided through the ingenuity and the fertile brain of the convention man. The means at his disposal usually governs the scope of the entertainment. Some cities can entertain a convention successfully with one-half the expense required in another city because they have the facilities and the natural advantages.

That the convention business is profitable is shown by the fact that the convention industry in the state of Colorado ranks fourth. In 1913 it was figured that in that state the convention business amounted to \$25,000,000, which was larger than its gold output. In several cities the city administration regularly makes contributions for conventions, thus throwing the burden upon every citizen. Several cities maintaining highly



successful convention bureaus spend about one per cent of the total amount raised for entertainment. The funds in some cities are raised by the hotels and restaurants giving one-fourth, the commercial organization one-half and the public generally one-fourth. About seventy-five per cent of their funds are spent in obtaining conventions. Many commercial organizations annually set aside a certain amount for convention work, but only a limited number keep any record of the amount spent for entertainment and a record of the visitors brought to their cities each year by conventions. Most commercial organizations always endeavor to obtain funds for convention work from outside sources. They endeavor to raise funds for each convention in this manner when they do not have a special fund for the work.

A word of warning would seem to be in order now. The secretary who knowingly disseminates wrong information about a convention to a fellow secretary is guilty of high treason. It is far better to give no information at all than to lead an inquirer astray. Give every inquirer the most reliable information, for who can tell when the tables will turn. The practice of charging exorbitant hotel rates because of conventions is a question that probably will demand the consideration of legislatures in more states than one during the next few years. This is without the control of the average convention organization, but the convention man will be doing an honorable service if he communicates the views of the ordinary delegate in the premises to the hotel proprietors.

## City Publicity

### Portion of a Report on Advertising by Commercial Organizations

By CARL DEHONEY and  
THORNDIKE DELAND

*Note:* The following constitutes the deductions made from voluminous material on the subject gathered, as the result of an exhaustive questionnaire, from all parts of the United States.

A review of the facts brought out in our survey together with other experiences and data on the subject lead us to suggest that the dominating features of the situation as it exists today are:

That commercial organizations have as yet only scratched the surface of this great question; have only begun to realize its vast importance both for their own development and the development of their cities; that out of the present confusion and conflict of opinion there will eventually come an approach at least to a more scientific handling of the problem.

That, while there is marked difference in the problem of advertising a commercial organization or a city and advertising a commercial product for sale and consumption, yet there are sufficient points of similarity to enable the municipal advertiser to profit by the more standardized experiences on the procuring of commercial advertising.

That some of the difficulties met in organization and municipal publicity differing from those of commercial advertising are:

1st—The publicity manager of a commercial organization being responsible to a larger number of individuals than in the case of the business corporation is frequently badly hampered in carrying out in full his plans along proper lines.

2d—That frequently not having, or appearing to have perhaps, tangible products or things for sale, it is more difficult to demonstrate actual results.

3d—The frequent changing of personnel of governing boards and committees resulting in changing of ideas, often prevent the full carrying out of campaign and render abortive what otherwise might have splendidly succeeded.

These are difficulties which the publicity manager and his committee must succeed in overcoming.

Some of the points of similarity in advertising a commercial organization or a city and advertising a commercial product are:

First: The absolute necessity of thoroughly developing a complete plan based upon a thorough analysis of the whole situation and including not only the first steps leading up to the campaign and the campaign itself, but full provisions for adequate follow-up to take full advantage of results.

A commercial advertiser, before spending any money, must analyze his product, his competition, his distribution, his market, and the various methods for bringing product and market together. In a similar way a city, before advertising, should first thoroughly analyze itself, study its strength and its weakness, its competition in different directions, its market, its facilities for bringing its market in closer touch, such as transporta-

tion facilities, etc., and the best method for producing the best results.

Second: That the nearer the commercial organization can come to offering a definite thing to sell, the more certain will an advertising campaign succeed. If a city has a good definite real estate proposition, if it offers definite opportunities for new settlers and the investment of new capital, definite advantages for the location of particular classes of industries, recreation and tourist advantages, a definite market situation differing from its competitors, it can hope for success in a publicity campaign. If you study the campaigns which have succeeded you will find they involve some definite proposition which, after all, is only a logical business proposition.

Third: That cities which take up successfully the question of publicity, must first make sure they are themselves "right" when subjected to the acid test. If not, they must make themselves right, and the first step is to arouse the citizenship generally to a greater knowledge of the city's advantages and resources and greater enthusiasm for its development. This has been the basis of "Know your city" campaigns and industrial surveys.

If the people of a city can be aroused to the necessity of doing things for themselves, they can often bring more prestige and publicity to the community than all the advertising experts and committees in the country can produce. A notable instance is Cleveland. It spends no money in the national organizations on trade papers, apparently sends out little publicity matter, does little along convention lines, yet no city has received more favorable publicity within the past few years. Active Clevelanders have done it.

In this feature of the work the progressive chamber of commerce can capitalize this sentiment to "sell" its memberships and increase its revenue for work, and, therefore, this whole question of advertising the association is only another phase of the question of membership and revenue, without which no organization can live. Here is where the commercial organization has a definite proposition it can hook up with accepted advertising principles.

In its local work, the commercial organization finds its best publicity medium in its daily newspapers, as evidenced so generously in the facts brought out by this survey, showing that



commercial organizations in the United States receive publicity which would cost at reading matter rates over five million dollars a year. The commercial organization will find paid space in these papers profitable if it has some definite project to put across, or to retain and increase its support.

In municipal advertising, the viewpoint is veering away from the procuring of miscellaneous free publicity, and while cities will and should continue to get all the free publicity they can, they will come more and more to consider buying what they want from the mediums experience has shown most capable of results.

In municipal publicity, just as in commercial advertising, great value can be created for an attractive and logical slogan or design, corresponding to the commercial trademark, by using same throughout all kinds of publicity, and hammering it home persistently until it comes to stand in the public mind for that city.

If a city has made itself "right;" if it has an enthusiastic citizenship in touch with its aspirations and organized to further its plans; if it has a definite publicity plan and proposition (a good slogan or trade mark will tell the truth and keep on telling it in season and out of season) it will deliver the goods whenever called upon, and will follow up its prospects it will win through publicity.

## CHAPTER IX.

### Trade Extension Tours

#### The Mission of Trade Extension Journeys

By WILLIAM GEORGE BRUCE

It may not be amiss to discuss the purposes of annual trade extension journeys, conducted under the auspices of commercial organizations, describe the attitude of the visiting jobber and manufacturer towards the inland retailer, and point out the benefits to be derived by all the factors involved.

The larger and average sized commercial centers of various sections of the country have in recent years engaged to a considerable extent in so-called trade excursions or merchants' trips. Their value, or at least their popularity, is established. But, it may also be well to analyze more closely just wherein and to what extent the trade extension journeys are beneficial to the business houses that engage in them and to the city that promotes them. The benefits or advantages derived from them may be summarized as follows:—

*First:* They promote the spirit of friendship among those who participate in trade extension journeys. Business men are afforded an opportunity to become more intimately acquainted with their competitors, learn to appreciate one another as man against man, with the tendency to substitute wholesome competition for unfriendly rivalry.

*Second:* The members or managers of a business firm who participate in such trips have an opportunity:

(a) To meet their customers in person which is usually appreciated and which tends to strengthen the business relations existing between the firms and their customers.

(b) These trips are apt to prompt immediate orders or pave the way for future orders. Frequently a sufficient number of orders are secured by business men, the profits upon which cover the cost of several trips.

(c) The visiting merchant is afforded an opportunity to see his customer in his home environments and under conditions which furnish an answer to the questions: "Is this a careful business man? Has he a good store, centrally located? Does he keep his stock in good condition?" In the adjustment

of credits it is important to know something about his customer's methods of doing business and the reputation he has at home.

*Third:* Affording an opportunity to those who have no trade in the region visited to study its business possibilities. It has frequently developed that business houses have found it to their advantage to place salesmen in a field after visiting the same that had before such visit seemed unpromising. Thus, many new trade accounts have followed as the result of these trade extension journeys.

*Fourth:* A distinctive gain is made for the city that engages in these trips. If the firms and individuals engaging in them did not derive an immediate benefit, there is still an advertising value which goes to the city. It adds a prestige to such city which could be gained in no other way.

#### From the Standpoint of the Cities Visited

Experience has taught that the expressions of good will and friendship showered upon trade emissaries of this character along the routes traveled are usually of the most sincere and cordial character. The personal expressions as well as the numerous speeches made, taken in their entirety, reveal the elements of genuine hospitality, geniality and goodfellowship. While the attitude of the smaller centers of population is not entirely selfish in character there is usually a reciprocal spirit which forms an important stimulus towards strengthened business relations.

The basis for the friendly attitude on the part of the smaller town is usually found in the following:

*First:* A local pride in the thought that an important trade extension train honors the town with a visit. Such events are comparatively rare.

*Second:* A satisfaction in being afforded an opportunity to point to the home town's achievements and possessions. Whether the local commercial, industrial or institutional interests are large or small, the resident citizen is always proud to dwell upon them.

*Third:* The authorities usually recognize the fact that hospitality is a virtue which applies to communities as well as to individuals, and that hospitality manifested on occasions of this kind denotes also the enterprise and public spirit of a people.



*Fourth:* That trade relations between the larger and smaller cities are reciprocal; that the products of the farm which maintain the small city must find their ultimate outlet for consumption in the larger centers of population; that the manufactured article of the large city is, in turn, essential to the life, activities and comforts of the farm and the small city.

#### Attitude of the Visiting Merchants

The responses usually made by the executive officers and members of the trade extension journey may be summed up in the following thoughts and expressions:

*First:* That commerce knows no limitations; that state lines are created for purposes of government only; that an interstate commerce is consistent with the American idea and conducive to the welfare and prosperity of the whole country; that we are one people, under one flag, with one and the same destiny.

*Second:* That the progressive merchant of the large city believes in the integrity, mission and purposes of the smaller units of population; that the smallest villages alike with the great metropolis performs a function in the economic, civic, educational and moral welfare of the nation.

*Third:* That the price list, quality of goods, taste and personal contact and the element of friendship cannot be ignored or overlooked.

*Fourth:* That honesty and integrity are a permanent and self-accruing asset in business and that the merchants come with honorable motives, with clean hands and clean intentions.

*Fifth:* That the commercial and industrial center means to compete aggressively with other markets; to apply enterprise, energy and industry in developing its possibilities.

*Sixth:* To tell the world what their city is, what it has, and what it stands for; to tell of its natural advantages, its geographical location; its commercial and industrial achievements, its hopes, its aspirations and its future.

#### Administration and Management

The trade extension journeys heretofore undertaken have been uniformly successful in the ends and purposes which they have aimed to serve, namely to promote and strengthen the business relations between a given commercial center and the outside world. They have also been conducted upon a self-sus-

taining basis. The expense has been almost wholly borne by those who have participated in them.

In order, however, that the greatest degree of service be attained in point of participation, in the selection of an itinerary, in securing a reasonable rate of per capita cost, in securing an efficient train service, in prompting a cordial reception and in attaining favorable publicity in the towns to be visited, the merchants' trips have been planned with discriminate care months in advance and with a supervisory care on the part of committees, executive officers and board of directors. More especially must this be done if the trips are to be made self-sustaining in point of cost and effective in desired results.

The committees entrusted with the immediate and detail arrangements are apt to become engrossed in certain phases of the trip and lose sight of the larger problems involved and the ultimate outcome of the financial end of the project. Here action, which shall be timely enough so as to make the veto power of the board effective and practical both as to the itinerary and the cost involved, is recommended. The following suggestions are usually observed:

First: That all trips are planned with a view of making them self-sustaining in point of cost.

Second: That the committee plan its itinerary during the month of January of each year for the trade excursion to be undertaken during the month of June following, and that a list of probable participants be prepared and acceptances be secured as early as possible.

Third: That the committee present to the board of directors a report on the next merchants' trip, the itinerary and date for same, the number of prospective participants, the arrangements for transportation, specifying cost for mileage, meals and sleeping car service, accompanied by estimates as to the total receipts and expenditures involved.

## Trade Extension Through Excursions

By WALTER S. WHITTEN

In the serious business of city, state and empire building, the trade excursion or trade trip is as new as it has proved important. It is to the city what the drummer is to the individual jobber. In short, the trade trip is the city's drummer.

Yet, the city's drummer differs from the jobber's drummer in one respect—while the latter takes orders, the former only anticipates them.

It should not be the aim of the excursionists to write orders. On the other hand, they should avoid it entirely. The business of the excursion is larger. It is, first of all, to plant the seed; the harvest, as in the course of Nature, should come later.

If an attempt to take orders is made, it leaves a lasting impression in the mind of the other fellow that you were "after something." Such an impression would be fatal to the object of the excursion. It should scatter broadcast the idea of reciprocity between merchant and merchant. In other words, we, a city, have something to offer you, namely, unexcelled transportation facilities, a market of wider scope, this or that which you cannot get elsewhere. You gain a psychological vantage point when the fact of your offering is emphasized.

Leave as much as possible behind to serve as a reminder of the fact that you have been there. This includes trinkets for the school children and high class advertising, such as a tastily gotten up pamphlet containing views of the city and descriptions of its places of interest—in short, an advertisement with the advertising idea not too obtrusive. Such literature will probably adorn a desk or a counter for months, and, before it reaches the waste basket, be picked up and read by hundreds. And, of course, there is always the advertising of the individual firms.

## Short Trips From a Jobbing Center

By E. H. CLIFFORD

In most cities which maintain a commercial organization, one of the important functions of that organization is to arrange trade extension trips which afford the members an opportunity to repay to the towns in their trade territory the visits made by the merchants and citizens of the town. It is also a method by which they extend their trade relations and in various cities different plans have been evolved to attain this end. It is generally conceded that trips of this kind are worth while—that the item of expense is a legitimate charge to adver-



tising, and the members of commercial organizations take great interest in them and usually cooperate in suggesting the places to visit. They promote a feeling of good fellowship and many acquaintances are formed that are lasting and agreeable.

Towns visited always plan some kind of a reception, governed by the length of the stay with them, so the members making the trip return home, in most instances, satisfied that it has been worth the time, trouble and expense involved.

### Long Journeys

Pittsburgh in 1912 visited a great number of cities in the Middle West and created quite an amount of interest by their special train which contained models and exhibits of their various manufactories. They had quite an attractive train and a large party. A few ladies were in this party, which is a new departure in trade trips as usually only men take part in them. In the cities of the Middle West, up to this time, nothing so elaborate has been tried, as the length of time consumed on the trips is usually one week.

The Alaska Bureau of the Seattle Chamber of Commerce made an 8,000 mile tour through Alaska and the Yukon, which is considered to be the longest tour of Alaska. Some Great Lakes cities have used lake steamers and call their trips "cruises." Several cities have tried automobiles. The plan is usually governed by local conditions, but the details are nearly always the same, as the object is to satisfy the travelling party and make things as pleasant as possible for them during the trip, and to create a favorable impression in the cities visited.

Music is always one of the first things taken into consideration, as it is generally admitted that a good band is one thing that will liven up the members of the party and also attract attention in the towns visited. Other means of entertainment are usually provided, most parties having among their members a few who will make up quartets and double quartets. Souvenirs are expected, and it is customary for the members making these trips to provide themselves with something that will be retained by the people in the towns visited. This, of course, is a detail, and is worked out by parties making the trip. Badges are worn by members. Some sort of a uniform or cap is sometimes suggested.

### One-Day Outings

Most of the commercial organizations plan trips of a week's duration, traveling many miles from their home city, and to a different territory each year, having on their train a diner and sleeping cars. In St. Joseph we followed this plan for a number of years, but for the last two years our members wishing us to offer them something of a different nature, we have adopted the idea of a one-day trip—leaving St. Joseph in the early morning, making our destination some point about one hundred miles from home, returning the same night, taking dinner and supper at towns en route. This plan has met with such universal favor with our members that we are of the opinion it will be quite a long while before they will call upon us to arrange for the week trips for them, as we have found that it is much easier for our members to lay aside their business for one day—five or six times a year—than for them to plan for a week's absence. It also enables a larger percentage of our members to make the trip, as the cost is nominal, as for the five trips which were planned last year, any one of our members who made all of them, was only called upon to spend \$32.50. We have discarded the diner and commissary car from our trains, as our plan for taking care of the meals en route is for us to suggest to the ladies of some church in the town where we wish to take dinner or supper, that they serve us, we guaranteeing them that we will pay for not less than 150 meals, at an average price of 50c each, and for whatever number there are above our guarantee. Our experience has been that this plan is satisfactory to both the ladies of the church and to our members and we have been fortunate in having some very fine meals served to us under this plan. We much prefer this to going to a hotel for the service is much quicker, and as most of the supplies and labor are donated by the ladies of the church serving the meal, it leaves with their church treasury a nice sum, and also affords our members making the trip an opportunity of meeting with some of the best people in the town we visit.

We plan our trips to make our last stop in the evening about 5:30, trying to arrange it so that this visit will be at the largest, or one of the largest, towns in the territory, spending about two hours there, and we are usually entertained by the local commercial club. It takes us about three hours to get

back home, as we plan no stops on the return trip, this part of the trip being devoted to the social entertainment of the members of our party, and with this in view we call our trips "Get Acquainted Trips," as we find that a great number of our members wish to meet with one another and this affords them that opportunity.

We do not carry a commissary car on the going trip, as we have found this to be an objectionable feature to a great many of the towns visited, and it is also objected to by quite a few of our members. Whatever liquid refreshments are desired are sent to the end of the line, and upon the return trip—as there is only our own party in the train—those of our members who wish it are then served. We have found this a very satisfactory way of handling a very difficult proposition.

We do not limit the members of our party to any individual line of business, believing that a trip given by our club should be open to any of our members in good standing, and although at first there was some criticism at bringing the jobber and retailer together in visiting the different towns, this has been overcome, as there are so many in the party that the business identity of the member making the trip is lost sight of.

## Trade Extension Trips—Methods and Results

By LEROY M. GIBBS

While trips of this character are more or less common to all sections of the country, the development of the United States from the East to the West has resulted in the eastern section becoming primarily a manufacturing section, selling its product largely through the jobber. The central and western sections, with less manufacturing, with great distributing houses wholesaling the products of many mills and factories throughout a vast territory given over in the main to agriculture, mining and forest products, with fewer cities, are concerned with selling goods to the small town retailer. Owing to the fact that in the eastern states, cities and towns of considerable trade importance are located in close proximity to each other, the trade territory or sphere of influence covers a comparatively small area; that is, while in a given area might be located a great city enjoying a nation-wide trade, there



would be perhaps half a dozen cities within a radius of one hundred or two hundred miles enjoying a considerable jobbing business. In the central and western states with their vast areas and the greater distance between cities there are many points which become, through various forces, distributing centers for great stretches of country, these centers, in most cases, being situated at such distances from each other as to necessitate an over-night journey.

One secretary has said that the average trade territory is in the form of an ellipse, with the interested city located in the eastern end of the ellipse. This is, of course, particularly true of the jobbing territory of the western city and is the direct result of the adjustment of freight rates. Perhaps this applies more to cities situated west of Mississippi River valley points which meet rates based on water transportation.

It is self-evident that favorable inbound freight rates are of the greatest importance to a city as a jobbing center. Equally important are the outbound rates enabling the city to meet competition. Freight service, so arranged as to provide prompt delivery of goods, satisfactory prices and a friendly interest and acquaintance with the merchant and the territory served, is an important factor in building up trade.

### The Importance of Trade Trips

Such information as I have been able to gather indicates that there are 75 cities carrying on annual trade trips, going out for a week and covering anywhere from 1,000 to 2,000 miles, while there are a still greater number of smaller towns with restricted territory going out by automobile for one or two-day trips.

In general, a trade extension trip has as its object, not only the increase of trade that may result to the individual jobber or manufacturer through meeting his customers and possible buyers, but the strengthening of the city as the logical center of that section—not only as a trading point, but the commercial, social and educational center—in short, the “big town” to its constituency.

### Four General Methods

There are perhaps four general methods of trade extension trips:

Those by train and ordinarily covering a five or six-day or possibly a two-week period, in a more or less extended trade territory.

By automobile and usually of not more than one or two days' duration, covering nearby towns.

Trolley trips ordinarily limited to one day.

Trips taken by a few great cities with enormous manufacturing interests and in which only the larger towns or cities are visited, what we may term, a major geographical section.

Some of the Great Lakes cities and some coast cities make trips by boat, but these for the most part are more in the nature of pleasure excursions, but none the less valuable.

### The Objects of the Trips

While some hold that, trade being the major purpose of the institution, the advantages of the home city should be dwelt on at all times. The preponderance of opinion seems to be in favor of establishing friendly relations and that trade will follow as a matter of course.

Only in a comparatively few cases is an effort made to solicit, and some organizations absolutely prohibit the carrying of order books. The tendency seems to be, however, to leave this to the judgment of the individual with few efforts being made to actually take orders on such a trip.

A feature that appeals to me, as of considerable value and yet adopted apparently by few cities, is that of sending an advance man over the territory to be visited. This man calls upon the representatives of the commercial organization or the town officials, arranges any program that is to be carried out, and other details. He also sees the leading merchants, and, while advising them of the contemplated visit, gets their viewpoint, learns where they buy the greater part of their goods, why a competing city may be favored, what deliveries are made from his city, and of any misunderstandings that may exist. Upon his return he makes a report which is published and a copy furnished each member of the party for use during the coming trip.

Many business men have come to realize that the thing of greatest importance is the economic development of the country, and as a result have carried out through trips of this nature

campaigns of education, preaching in regions subject to drouth where corn is a precarious crop, the growing of kaffir, milo maize and sorghums, which are better adapted to such conditions; in a one-crop section, diversified farming; in a stock-raising country, the breeding of better stock; in a fruit section, better grading, packing and marketing, such subjects always being handled by experts carried for the purpose. I have in mind a case where through such propaganda, carried out over a period of years in a trade territory, hundreds of cars of peanuts are now being raised where previously they were an unknown crop.

### Methods for Conducting Trips by Train

Some organizations seem to favor the appointment of a considerable number of committees to handle the various details, but I am inclined to favor one strong committee which handles the entire matter. The question of first importance is the arrangement of the itinerary, that the train may move on schedule, that there may be time enough in the principal trade centers and not too much at the less important stops. There is a growing sentiment, however, against merely rushing into a town and out again, leaving in the minds of the men visited only a confused idea as to the identity of the visitors. It is necessary that the schedule be lived up to, and that the night stop be reached not later than five or five-thirty. The best practice seems to be to delegate some one man as train master, whose duty it is to handle the train.

It is important that advance information be given in towns to be visited through the commercial organization or some official and to the local newspapers, advising the date of the visit and the hour of arrival and departure, the information given the newspapers being in nature of a write-up, which naturally lends itself to local treatment.

It is also good practice for the member making the trip to write his trade of the intended call.

The number of men carried on such trips seems to run from seventy-five to one hundred and fifty, and too much emphasis cannot be laid on the necessity of a house being represented by the principal or an official of the firm. The local merchant sees traveling salesmen frequently but feels honored by a visit from "the big boss."



There is some question as to the advisability of inviting retailers to join the party, and some cities do not permit this practice. In case the retailer is carried, it would seem wise that he give out no advertising matter or do anything to cause conflict with the small town retailer, who is naturally jealous of his trade territory and regards the city retailer, with his big advertising, as his strongest competitor.

Equipment carried is, of course, dependent on the number of men making the trip, as in almost every case the excursionists live on the train. The average equipment consists of two baggage cars, one being used as a lunch and soft drink establishment, two diners, three or four Pullmans, one or two tourist sleepers, and a combination library, buffet, or observation car. The cost, including transportation, meals and tips, averages approximately \$100 for each member for a five or six-day trip.

The men making the trip may be divided into two classes: Those who retire early with the desire for sleep, and the owl squad who never sleep. The secretary who knows his men can easily arrange matters so that these men occupy different cars, much to the satisfaction of those who wish rest.

Almost invariably a good band is carried and appreciated in the small towns where they seldom have the opportunity of hearing the better band music.

Short talks are usually made in the towns where the time will warrant, with more elaborate programs in the evenings, the evening program in most cases consisting of an informal reception or smoker. One city adopted a pleasing form of evening entertainment by giving a band concert in conjunction with motion pictures thrown on a screen stretched against a building. Care should be taken, however, in the selection of speakers, each speaker understanding what subject or subjects he is expected to cover and the time that he is to talk, otherwise there is the danger of a program becoming long drawn out and tiresome.

In speaking in the open air it is much easier for the speakers if the crowd be so grouped as to allow the speaker to face the wall of a building unobstructed by awnings. Trying to speak from a corner with a crowd all about is an almost impossible situation for a speaker; it breaks his voice and few can hear, resulting in inattention and disorder.

Some favor the carnival spirit and seem to believe that this breaks down formality and is appreciated in the small town. I am very much in favor of the dignified educational trip and think it has a much better and lasting effect.

I do not mean to imply that I am opposed to fun, but anything of this nature should be incidental and not the major part of the program.

In almost every case the trade trippers are supplied with uniform hats, caps or dusters, buttons or ribbons showing the name of the man and the firm represented, and march to the center of the town visited, led by the band.

Souvenirs are carried on all such occasions, but usually by the individual firms, although some organizations give out well-printed advertising matter of their city, order books or other matter.

In working up an itinerary it is well to include even the "tank towns," although the visit be short, for often these towns take themselves seriously and resent any apparent slight.

### The Conduct of Automobile Trips

The advent of the automobile has served to greatly increase the retail territory of the larger cities and towns, in many cases shoppers driving twenty-five, fifty or even one hundred miles to trade, the territory, of course, being affected materially by the class of roads leading to the city and the location of competing centers. In this connection too much stress cannot be laid upon the necessity of good roads.

The automobile trip is popular in many towns and cities, and is particularly well adapted to trips where the number participating does not warrant the running of a special train and for comparatively short trips into immediate trade territory. It permits of much greater flexibility and does not call for the outlay required by the more pretentious train trips.

As a rule it is more local in character and in its make-up generally includes men representing both wholesale and retail establishments. Frequently such excursions are almost wholly community boosting trips—get-together, get-acquainted propositions, and are, no doubt, of value both from the standpoint of a knowledge of the immediate surrounding country, crop conditions and trade.

The better organized trips have a definite schedule and

program such as the more ambitious train trips, the benefits in territory covered being comparable to the extended excursions.

A danger to be guarded against in the automobile trip is that of its degenerating into a road race and consequent forgetfulness of the real object of the trip. When this occurs it is likely to do more harm than good.

### Benefits to be Derived

Benefits derived from trade extension trips may be classified into four general heads:

To the individual making the trip.

To the merchant visited.

To the section visited.

To the market.

The individual benefits are almost as varied and as numerous as the men making up the party. The credit information obtained by seeing a stock of goods and the merchant's way of looking after business in many cases is worth more than the cost of the entire trip. He sees the manner in which goods are kept—neatly displayed or merely thrown on the shelves. In fact, dozens of little things which indicate the stability of the business and which do not find their way into commercial reports.

Then there is the opportunity of straightening out the little difficulties and misunderstandings that sometimes arise and that cannot be adjusted through the salesmen, but are easily solved when the principals get together.

The jobber or manufacturer can determine if he is getting the amount of business he should get on the territory, and has the chance to judge if he has the real live account in the town or is tied up with the less desirable merchant. He is enabled to study at first hand the needs of his trade and to determine whether he is giving the sort of service his customers have a right to expect.

Incidentally it gives him a check on his sales force in the territory. One jobber told me of a case where one of his traveling salesmen had charged regularly in his expense account for a drive to reach a certain town. What was his surprise in chatting with the customer to find that his representative had



not visited the merchant in two years, but had called him on the telephone.

Freight deliveries are worthy of study on such trips, and often information gained has resulted in the working out of more advantageous schedules with resultant increased trade.

The educational value is a very real one. No wide awake business man can make such a trip without gaining a much more comprehensive idea of the country which he serves, its resources, and its possibilities for development.

The acquaintance between jobber and merchant makes for a better understanding, a better spirit, and closer cooperation; for business in the main is done on quality, price, preference and confidence; but these being equal, good will is often the deciding factor.

There is undoubtedly a selling value to the individual business man who does business in a town that is known to be very much alive and hustling for business, as well as giving a good impression of progressiveness.

The follow-up, and here is a problem many a business man has pondered over! The trade trip follow-up is worthy of thought. It is not new for the business man to sit down after a trip and write the men he has seen. It is hard work when the desk is piled high after a week's absence. But it pays. But pays only when the follow-up is made with the right sort of letter. The ordinary stereotyped sort won't do. As well give the girl stenographer a copy of the catalog for reading at the seashore. It should be a good, red-blooded letter, with a punch, a personality, a message from the man who takes his pen in hand and affixes his signature at the end.

Then again, a piece of printed matter is sent out by the organization expressing appreciation—an invitation to visit the city and become better acquainted. More likely than not this carries a list of the men who made the trip. Properly prepared, such matter should be worth while.

The suggestion has been made that a trade trip might prove of value to the merchant if a retail efficiency expert were carried to aid the small town merchant. It is my judgment that such a man could do little in a town in the time at his command and that this matter can be much better handled through a merchants' week or short course with which many of you are familiar.

Sometimes we unconsciously overlook the human equation; we forget the human element in business. We forget the value of the personal touch. I believe you will all agree, however, that you have a different feeling in writing a man you know and can visualize as you write and put more of yourself into the communication. The same is true in the ordinary commercial transaction. The merchant feels the human element in writing the jobber or manufacturer whom he has seen; he is a flesh-and-blood reality to him rather than a vague abstraction, and the distributor or manufacturer writes with a different spirit when he sees in his mind's eye the customer he is literally talking to and knows his surroundings.

### Some Results from Trade Tours

There is a very real value to the merchant visited. It is his opportunity to show the jobber or manufacturer that he is worthy and entitled to a line of credit. He has the advantage of being "at home;" he can point out his favorable location, his well displayed stock of goods, and his efficient store service. He can call attention to the prosperity of his section of the country, the big barns, the fine herds of cattle and the crop possibilities.

The worth of such a call to the town visited may be a very genuine one. It is a big possibility for advertising and the wide awake town takes advantage of it. The men making the trip are usually trained observers. They are quick to see business opportunities, the resources of a town and where there may be an opening. Many times this results to the advantage of that section. The big business man knows someone who is seeking a location and sends him there. It helps in municipal improvements—the town wants to sell bonds and there are men in the party who can handle the proposition. Better mail service, better freight deliveries, a re-arrangement of the passenger schedule, a hundred and one things the small town wants come to the attention of men who can and are willing to help.

While it may be difficult in some cases to trace direct benefits, such trips are unquestionably of great value to a market, and there is no doubt that many cities have developed a strength that would have been impossible except through such methods.

Cities, like individuals, are frequently misunderstood;

especially is this true of the big city in a given territory. The trade trip is often the medium for removing misconception, eliminating suspicion, and clearing the way for mutual understanding.

A publicity value also attaches to such an undertaking, as it is usually given much favorable comment by the press throughout the entire trade territory.

The home influence is invaluable, for one of the greatest benefits of such a trip, if not the greatest, is the opportunity given a man of getting acquainted with the business men of his home city.

Rubbing elbows, thrown together for a week with men they have merely had a speaking acquaintance with in the past, has a beneficial effect. Men in knowing each other lose suspicion and learn cooperation. They cease to be violently competitive and begin to sense the value of working together. They do not fight among themselves but unite to meet the needs of their trade territory through better service. They go back to their desks ready to help each other, with a broader vision, a kindlier feeling, a better spirit, and with more charity toward both customer and competitor.



## CHAPTER X.

### Charity Endorsements

#### Charity Endorsements and the Prevention of Fraudulent Solicitation

By HOWARD STRONG

A generation ago the average commercial organization would have considered ridiculous the proposal that it assume the endorsement and supervision of the charitable organizations and activities of its community.

Each one of you accepts the new conception of the commercial organization as a body which includes every civic, social and commercial activity making for the common welfare. Such an organization recognizes the propriety of the demand of business men for protection against frauds of various kinds, and assurance of economy and efficiency in the charitable and philanthropic agencies which call upon them for support.

The assumption of this supervisory function by a community organization is based upon the fundamental principle that the charity which receives its support from the public, is in a sense, a public institution, and that the public has a right and a responsibility, therefore, to know its methods and to demand its conformity with an accepted standard. As a result, the commercial body or some other representative agency, in most of our large communities, has assumed the responsibility of representing the contributors, in supervising the collection and expenditure of funds for public charity and relief.

In many instances this has been only the first step in the process and there have been taken on additional functions which I shall endeavor to discuss.

It is unnecessary to convince you of the propriety of creating an endorsement committee, or in detail to discuss the advantages resulting from its activities. A questionnaire making detailed inquiry as to the existence of such a body was sent to sixty-six cities. Replies were received from fifty-seven, and out of these forty-five have already undertaken a plan of endorsement, and five are planning to do so, leaving only seven of

the number replying, who are not definitely undertaking it. I assume that you are all in sympathy with the general purpose of the plan, and with its accomplishments. I take it that you will prefer a discussion of technique, methods which have been found successful, and the results which have been attained through these various methods.

### Answering Essential Questions

Let me approach the question from five points of view.

First—By what organization should charity supervision be undertaken?

Second—What activities should be included in this supervision?

Third—What should be the specific relationship between the supervising body and the charities under its jurisdiction?

Fourth—By what method should the conclusions of the supervising body be brought to the attention of the contributing public?

Fifth—What should be the relationship between the endorsing body and similar bodies in other communities?

First:—What organization should assume the responsibility of charity supervision? The early tendency was toward the performance of this function by the central charity organization of the city. It has been argued that such a society has a better understanding of the work of various charitable organizations than any other group can have; that it is in closer touch with their problems, and that it can in a greater degree command the services and judgment of those familiar with charitable activities. It has been almost universally found, however, that charitable organizations themselves resent the assumption of a supervisory attitude on the part of one of their own number. The right of this organization to set itself up as a mentor over other similar organizations is questioned, and the judgment of those representing this body is in danger of being affected by their peculiar and special interest in certain phases of the charity problem.

Further, because of an entirely unwarranted, though prevalent suspicion on the part of business men, that people actively identified with charity organizations are theoretical rather than practical, the decisions of the body representing the charity organization are not infrequently discounted. At present, only

four of those replying to the questionnaire conduct bureaus in this manner, clearly indicating a tendency away from this plan.

A modification of this method is found in the creation of a joint committee, representing both charity organization, society and commercial body. This combination gives added weight, in the minds of the contributing public, to decisions of this committee, but fails to eliminate the suspicion and distrust engendered on the part of the organizations coming under supervision. Only four cities conduct the bureau according to this plan.

Some years ago the endorsement body, as a money-making proposition, was popular. This was conducted purely for personal gain and was subject to such abuse that it has practically disappeared.

### Task for Commercial Bodies

The plan under which the commercial organization itself assumes the entire responsibility of supervision is gaining in favor. The committee representing the commercial body is usually made up of men of high business standing who are thoroughly conversant, and usually connected, with the activities of various charitable organizations. Their experience in administering successfully the affairs of these philanthropic activities insures the soundness of their judgment in such matters; their breadth and recognized standing in the community commands the respect alike of charity organizations and the contributing public; while their right to refuse approval of unworthy methods and to demand efficiency, because they represent the contributors of the community, is freely recognized by almost every agency subject to supervision. I think this will soon be the universally accepted plan.

Second:—What activities shall be included under the direct supervision of the commercial organization? Some supervising agencies confine themselves to a consideration merely, of solicitations for local permanent charitable organizations, but no such agency, if it is alive to its responsibility, can stop with a consideration of these demands upon the community. There are myriads of soliciting schemes which are presented for the consideration and support of the giving public—religious and labor organizations doing some charitable work, temporary appeals for specific purposes, appeals for individual relief, for philanthropic purposes in other cities, and for national move-



ments of various sorts, requests for advertising for semi-philanthropic purposes as well as straight commercial advertising which promise returns for value received, and, of course, the ever present opportunity for every conceivable character of business investment. I believe that the commercial organization can well assume a direct supervision over most of these types of solicitation. I see no reason why every one should not be included if the organization has the means to undertake the responsibility and the influence to make its decisions effective. The average business man has little opportunity to study the genuineness of the many appeals which come to him each day. He is anxious to support those things which make for the up-building of his city, or which mean a legitimate profit for himself. But he does not want to be bunkoed. His organization, which exists for the good of his community, can well undertake the function of protecting him against useless or worse than useless appeals and recommending to him those which it believes are for the common welfare.

If the commercial organization is so disposed, it may even employ experts who are competent to investigate the commercial feasibility of various advertising plans which are presented and the soundness of proposed business investments. One statewide commercial organization has definitely undertaken this responsibility. It has organized an investors' league as one of its departments, which will endeavor to ferret out dishonest promoters and wildcat investments, and to inform its members as to their true nature. It will endeavor also to promote and educate a public confidence in legitimate investment. The commercial organization which can perform all of these functions successfully will unquestionably render a great service to its members and to the community.

### A Constructive Supervision

Third:—Perhaps the most important phase of the whole problem is the degree of supervision which the endorsing body shall exercise.

Some supervisory bodies act merely as rating agencies. The simplest and least effective, but apparently the commonest method, unfortunately, is analogous to the function performed by Dun's or Bradstreet's agency. The endorsing committee investigates the various applications for approval which come

before it. Those which are worthy and legitimate are given some form of endorsement or favorable report. The unworthy applications are refused and the matter ends there. The organization which performs no other function than this, however, is making little contribution to the constructive philanthropy of its town. It usually does not have the cooperation of the charitable organizations of the city, and more often than not finds itself without influence and its decisions little regarded.

The endorsing body which would be really effective must assume a definitely constructive and supervisory capacity. Such an organization gains the confidence and cooperation of efficient charitable organizations by cooperating with them in the standardization of their methods, in suggesting improvements and in assisting them to bring their needs before the public in the most favorable manner, and further by taking action against unworthy organizations which are diverting funds from their support. The endorsing body confers with organizations which are endeavoring to fill a real need, but which are ineffective or extravagant, and it becomes eventually the controlling influence in making these organizations serve fully the purpose for which they exist. This committee systematically studies the whole charitable field, it eliminates duplication and useless effort, it secures cooperation among organizations performing similar functions, it assists in creating new agencies to meet needs not already cared for. If its work is done wisely and without prejudice it becomes the principal factor in the elimination of destructive charity and in the development of a truly scientific and independence-producing philanthropy.

It goes further than this—it concerns itself more or less directly with every unsocial condition in the community. It has a part in the removal of these conditions, thus helping to eliminate the necessity for the curative charitable agencies which must now be supported by the public. Housing, public health, recreation and a score of other activities become its vital interests, either through its own activities or through its cooperation with bodies which are dealing with these problems.

The supervising agency thus becomes the sponsor for all of the constructive philanthropic and charitable activity of the community. In some cities where the program has been worked out most successfully, the committee holds itself, and

expects the community to hold it, directly responsible for the efficiency and economy of the various social agencies coming under its supervision. No such committee can assume this degree of responsibility without the employment of a staff of trained charity experts, for intelligent supervision of this character requires intimate understanding of the actual problems and management of charitable organizations. The commercial body which assumes this responsibility and discharges it conscientiously becomes a mighty force in the civic and social up-building of its town.

### Methods of Endorsement

Fourth:—The method by which the conclusions of the endorsing body are brought to the attention of the public is important. In some instances, the endorsing body gives no formal certification for any kind of solicitation. It informs itself as to the worthiness of various appeals, and any contributor who wishes to learn with reference to an appeal must call upon or write to the endorsing body for information.

In other instances lists of approved institutions are published by the endorsing body from time to time, and distributed to its members, and, in some cases, to the general public.

Sometimes a formal letter or certificate of approval, usually covering a limited period, is issued to every sort of an agency making a legitimate appeal, while in other cases such endorsement is issued only to local worthy permanent charitable organizations, and a verbal or written report is made upon request for all other appeals. The plan by which a report upon request is given without formal endorsement is, I think experience has shown, comparatively ineffective. This plan provides no direct means for bringing to the constant attention of the contributor the fact that there is an organization which is ready to serve him. The availability of this service, as a matter of fact, occurs to a very small proportion of the contributors who are called upon, and as a result, the approval of the endorsing body is not at all an essential element in securing funds. The endorsing body consequently has little influence in endorsing its requirements upon the institutions which it seeks to influence. I do not think a single endorsing body which follows this plan, has attained an influence which makes its endorsement essential to the support and success of every charitable



organization in the community, and which is, therefore, in a position to enforce high standards of efficiency.

I am very strongly of the opinion that the most effective method, from the standpoint of efficiency in the charitable organization, education of the contributor, and protection to the community, lies in the use of some form of an endorsement card or certificate, supplemented perhaps by the occasional publication of a "white list," at least for permanent local bodies. Every solicitor who carries a card of this kind is certain to present it as an additional argument for a contribution. The contributor in a short time comes to realize that there is an organization which is constantly serving him and when the card is not presented he insists upon the endorsement of his organization before he makes a contribution. Thus every charitable organization comes to recognize the tremendous influence and value of having the official endorsement, and makes every effort to comply with the standards insisted upon by the endorsing body. I know of several communities in which the approval of the endorsing body is practically essential to the continuance and success of the charitable organizations.

### Endorsement Cards Issued

On the other hand, it is frequently argued that the issuance of a card of endorsement results in the absolute reliance of the contributor upon the judgment of the endorsing body, and that support of the philanthropic activities of the community becomes mechanical instead of resulting from an intimate knowledge of and interest in the work of these organizations. As a matter of fact, I think experience has clearly proven that the use of the endorsement card stimulates personal investigation and inquiry on the part of the contributor, and that in those communities where this plan is followed, the giving public has attained a more intelligent understanding of and greater sympathy with the work which it is supporting than has been attained in communities which employ other methods. The endorsement bodies which have been the most potent factors in the education of their communities to a responsibility for the charitable work of those communities are in general the ones which have followed this method.

A modification of the endorsement card has been tried in one community with some success. Solicitors are given a large

certificate sheet. The endorsement is at the top, together with the amount of money which the organization may collect during the current year, and space is left for the names of subscribers, with the amount which they give. Contributors are urged to give only when a sheet of this kind is presented, and to record their names and contributions on this sheet. This makes it possible to determine at all times the amount which is being raised and insures against the solicitor's appropriating a part of the money which he receives.

In some communities the card of endorsement is given indiscriminately to every sort of solicitation which is considered legitimate. This is dangerous, for it is an almost impossible task for any group of men to become absolutely certain as to the worthiness of appeals for some forms of advertising, for solicitation for individual relief, and particularly for activities outside their own communities and in other cities. The responsibility which is implied by the issuance of a card should not be assumed without this certainty.

Fifth:—What relation should exist between the endorsing body and similar bodies in other communities? The endorsement committee plan has become a national movement. Probably upwards of seventy-five or one hundred cities are now more or less effectively performing this function. Methods are becoming standardized as we gradually work out those practices, which are the most successful. Furthermore, there are a great many appeals which are nation-wide in character. Certain national bodies performing national functions send their solicitors throughout the country. There are local bodies, such for instance as educational institutions, soliciting in various cities and states. Again, there is that vast host of itinerant solicitors, with various questionable schemes, happily decreasing in number, which appear in various cities.

## CHAPTER XI.

### Commercial Arbitration

By T. C. HUFF

In 1768, when the New York Chamber of Commerce was formed, a provision was incorporated in its Charter that it could arbitrate business disputes. This organization has made four attempts to form a mechanism for conducting arbitration. The first three were failures. The first failed because there was no method of enforcing the award; the other two, because they attempted too much, for the promoters had in mind a court of commerce, exclusively for merchants, fashioned after the Old World *Handelsgerichte* and the *Tribunaux de Commerce*. Differences in laws, customs and viewpoints made such a scheme impracticable in our country. The fourth and last plan, later to be described, is a more modest attempt and seems in order and quite within the realm of practicability.

In 1801 the Philadelphia Chamber of Commerce composed of merchants of Philadelphia provided in its by-laws for an arbitration committee to settle commercial differences arising among its members. We find many early attempts to form strictly trading bodies. In nearly every case, arbitration of disputes among members, was an essential part of the work. In 1836 when the Boston Chamber of Commerce was founded, it had only two committees, the committee of inquiry and the committee of reference. It is not stated what their functions were, but the latter was probably a board of commercial arbitration. The arbitration committee and the committee on appeals held a very important place in the Boston Board of Trade in 1854, when it was founded.

In preparation for this study of the present status of this form of chamber of commerce activities, a questionnaire was sent out to 39 organizations from which 28 replies were received which told of the activities and how they were conducted. Most of the material in this study was secured from sixteen of the organizations reporting this character of work.



Early in the investigation it became evident that there must be a division of this study into two parts, one considering commercial arbitration in bodies which conduct or supervise trading, and the other considering commercial arbitration in such bodies as do not engage in this type of work. A trading body is usually an organization of business men in one particular industry or trade. A commercial association of the non-trading type, on the other hand, is a voluntary organization of business men engaged in various lines of business. In a trading body an arbitration committee is an essential part of the trading equipment of the organization. Its function is to settle business disputes which frequently arise and which usually are of so technical a character as to make difficult any settlement by persons not familiar with the technicalities of the trade. In this study the main characteristics of the trading body arbitration work will first be pointed out. After this there will follow a similar discussion of some of the main points of difference between arbitration committee work of commercial organizations and the operations of the trading bodies.

### Selection and Control of Arbitrators

It is characteristic of the arbitration methods of trading bodies that they do their arbitrating through standing committees. The chief exception is the New Orleans Board of Trade, Ltd., which has both standing and special arbitration committees. One of the standing committees of this body, for example, arbitrates maritime matters. Arbitrations are also provided for, however, before special committees, to be appointed by the chairman of the standing committee, having jurisdiction over the commodity at issue. For instance, if there is any difference between two members dealing in hay, a special arbitration can be had before three arbitrators, appointed by the chairman of the hay committee.

The selection of arbitrators presents few variations in method. In all cases they are selected from the membership of the organization. Three organizations do not allow a member of the board of directors to serve on the arbitration committee. The number who may act on the committee is definitely limited in all cases. In practically all instances the rules specifically provide that if an arbitrator is even indirectly interested in the dispute he cannot serve on the arbitration com-

mittee. In two organizations the disqualified member or members are replaced by appointment by the president and one by the secretary. In five cases the majority of the committee, a quorum, can hear the case and decide it. In one instance, the man is replaced by a mutual agreement of the disputants.

There is comparative uniformity also in delimiting the scope of the arbitration. Legal questions are considered by only one body, while the financial, mercantile and commercial disputes are specified in most cases as the field to which arbitration must be confined. One association undertakes to settle all kinds of disputes. As a general thing business disputes involving money, are the great class of differences settled. Only questions of fact are decided by seven bodies and both fact and law by one. These cases are decided between members of the organization or, members and outsiders by all of the bodies but one. Before taking up a case, conciliation is attempted in four bodies. Seven of the associations require that each of the disputants fill out a written form and file it with the secretary of the association before the case is taken up. The other two require only a written agreement.

There is little uniformity as to the methods of selecting arbitrators. The Baltimore Chamber of Commerce and the Master Builders' Exchange of the city of Philadelphia have a plan, whereby the disputants each select a member of the organization and these two choose a third. Four organizations permit only the committee to act, while the Indianapolis Board of Trade and the Memphis Merchants' Exchange permit only a committee to arbitrate, but if the disputants cannot agree on the regular standing committee, they may choose another committee to decide the dispute for them, this committee having the same delegated powers as the regular standing committee.

Only three bodies, the Master Builders' Exchange of the City of Philadelphia, the Indianapolis Board of Trade, and the Chicago Board of Trade permit the arbitrators to decline to consider a case for good and sufficient reasons. In Chicago this reason was "want of jurisdiction only." All the other organizations reported that, "It is the duty of the committee to hear and decide all cases that may be brought before it." Most of the organizations will not consider unimportant or trivial matters.

### Methods of Procedure

After having once taken up a case, in only three instances is the procedure informal. In two cases, the arbitrators do not have discretionary power to follow or disregard rules of law, but must follow certain well-defined state statutes. In the other cases, the decisions are based on equity and justice. The men who give these decisions are generally sworn in before a notary or justice of the court. The same process is also gone through with the witnesses. Some official on the exchange swears in the men on the New Orleans Board of Trade, Ltd., while in the Chicago Board of Trade, the chairman of the committee acts in this capacity. For the purpose of securing evidence, four bodies allow the disputants to subpoena witnesses, and compel the production of books and papers, as in a court of law. While the Master Builders' Exchange of the city of Philadelphia does not give this privilege, the New Orleans Board of Trade, Ltd., can subpoena a witness but cannot compel the production of papers and books.

The penalty for failing to appear before the committee varies with the different organizations. The various answers were as follows:

"At the discretion of the committee."

"Fine, suspension, or expulsion."

"Fine."

"Never occurred."

"Fine not exceeding one-half of the fee, and the board can insist on no postponement."

"Postponed, too many hearings would result in ex-parte hearing."

"If the plaintiff, the case fails; if the defendant, judgment is against him by default."

These various answers show that there is little uniformity in dealing with this situation.

All of the proceedings are taken down by a stenographer in five organizations, in two if it is desired, and one does not at all. The action of the committee is not secret to members of the association, except in the case of the Chicago Board of Trade. If a member wishes to see the award of the committee, he can do so upon application to the secretary. In reaching these awards, all cases are settled on their merit and are not governed by precedent.



### The Decision and its Force

The decision of the committee is binding in five cases and subject to appeal in the New Orleans Board of Trade, Ltd., the Minneapolis Chamber of Commerce, the Chicago Board of Trade and the Indianapolis Board of Trade. The statutes of the state in which the above organizations are located provide that the awards be binding in four organizations.

The New Orleans Board of Trade, Ltd., has a rule that an appeal will not be permissible, unless the amount in dispute exceeds five hundred dollars. Among the trading bodies, appeals are infrequent, unless the amount involved in dispute is a large sum. After a case is taken to the committee on appeal, its decision is generally always final and binding. The time limit in which an appeal will be allowed differs greatly in the different organizations, varying from eight hours to thirty days.

Revocation of the decision is allowed in only three bodies, the St. Louis Merchants' Exchange, the Memphis Merchants' Exchange and the Chicago Board of Trade. In St. Louis the penalty is "paying such expense as has been incurred." In Memphis, if a revocation occurs, it is the duty of the secretary to prefer charges, the penalty being censure, suspension or expulsion. In none of the bodies is the right to revoke ever waived. A submission to arbitration in the Chicago Board of Trade can be revoked by either party after the allegations and proofs of the party have been closed and the matter finally submitted to the arbitrator for decision, but it has never been done. By mutual agreement, the case can be dropped, in the St. Louis Merchants' Exchange and the New Orleans Board of Trade, Ltd. None of the organizations has any requirements for the revocation of an award. In case of revocation, the other party to the submission can maintain an action for all the expense that he has incurred in preparation for the arbitration unless otherwise agreed to, in the St. Louis Merchants' Exchange. This matter is left to the decision of the committee in the Baltimore Chamber of Commerce and the Chicago Board of Trade.

There is no requirement in any of the organizations that the award shall be filed with the court. The losing side must fulfill the requirements of the award with the prevailing side at once in one organization, within a reasonable time in two, six days in one, and ten days in three organizations. In the

majority of cases if this is not complied with, the award can be filed with the court, and it will see that the award is enforced.

The fees are fairly uniform for all the organizations as shown in the appendix. In five organizations they are on a sliding scale but of stated amounts, governed by the amount involved in the dispute. This plan is used more in the larger organizations. It is generally paid to the secretary, who divides it among the arbitrators. The fee for the committee on appeal is generally the same as that for the arbitration committee, while for non-members it is, as a rule, always somewhat higher.

### **The Work of the Trading Body Arbitration Committees**

Many thousands of disputes have been settled in this country by these arbitration committees. The Memphis Merchants' Exchange has settled about three thousand cases. About fifteen years ago, the Exchange began numbering the cases and the last one is number 1,740. The Chicago Board of Trade has arbitrated many hundreds of cases during its fifty-seven years of existence. All of the bodies report that the work of the committees has been uniformly successful and satisfactory to both parties. The Chicago Board of Trade reports that, "The committees are highly regarded by members and non-members in the grain trade."

This, in general, is the gist of the matter of the workings of the arbitration committees in the trading bodies of the United States. Arbitration is an essential part of a trading body, as the organization is formed simply for business purposes.

### **Commercial Organizations**

The idea of commercial arbitration by American chambers of commerce is not new. We have already seen that as early as 1768, the New York Chamber of Commerce incorporated in its charter, given by King George, a provision for arbitrating business disputes. The New York Chamber of Commerce is the leader among commercial organizations regarding arbitration.

The origin of the New York plan is of a very complex nature. As earlier stated, four attempts have been made. The first three were unsuccessful. The last and final plan is based upon the past history of the New York Chamber of Commerce.

European commercial courts, stock exchanges, trading bodies; the London Chamber of Commerce, Canadian Chamber of Commerce and eleven American chambers of commerce and boards of trade were studied before this plan was evolved. Few of them were suitable examples that could be followed to any great extent. The committee then examined the past records of the New York Chamber of Commerce. Profiting by past mistakes and basing the arbitration proceedings upon the New York Statutes, the present plan was formed. The European commercial courts could not serve as a guide due to differences in laws and customs. The London Court of Arbitration was followed to a certain extent because of a likeness of their customs and those of our own. The plan, which was worked out, is comparatively simple.

### Selection and Control of the Arbitrators

First of all, is the standing committee on arbitration which is appointed. It has complete supervision of all matters concerning arbitration referred to the chamber of commerce. This committee compiles from time to time, revises, and keeps a list of qualified persons willing to serve voluntarily, as arbitrators. All names in this list, are members of the chamber of commerce. The list is known as,—“The list of official arbitrators of the New York Chamber of Commerce.”

This list of official arbitrators in a strictly commercial organization is necessary. In a trading body, a committee can easily be selected, which is familiar with the terms of that particular business or trade. This is not true for a commercial organization, where many different kinds of business are represented. Hence it is easily seen that where a committee may be able to arbitrate all cases which might arise in a strict trading body and every member be familiar with the technicalities of the business, it would be practically impossible for a committee of suitable size to be able to handle all contentions which might arise in a commercial organization.

The disputants can select the standing committee, one man from the official list, or each choose a man, who in turn chooses another and all three serve as a committee. A member of the board of directors or a man even indirectly interested in the dispute cannot act as an arbitrator.

The arbitration committee has power to disregard trivial or unimportant cases. The great bulk of cases considered are



those dealing with financial and commercial differences. Legal questions, as a rule, are taken to the courts.

### Conciliation

This work of conciliation of disputes is in all probability the most important branch of work of the arbitration committee. Many disputes are settled in this way and hence never appear before a group of arbitrators. This is preferable to arbitration, if possible, as the good-will of both parties is retained, and their business connections still exist as before. This part of the work does not make a show, but is invisible and exceedingly important.

### Method of Procedure

In the case of a dispute, the disputants sign a written form of agreement "consistent with the existing provisions of law," stating which of the three forms of arbitration they wish to use, and that they will abide by the decision of the arbitrator or arbitrators selected by them.

After the submissions are turned in, the parties are then notified of each following hearing as to the time and the place.

All hearings are informal, which greatly aids the disputants to get into closer touch with each other. They are not public unless at the request of the contending parties. "

The power of subpoenaing and swearing witnesses is given to the arbitrators. Before evidence can be taken "the arbitrators must be sworn by a notary or other officer authorized to administer oaths, faithfully and fairly to hear and examine the matter in controversy and to make a just award according to the best of their understanding."

Before taking any outside evidence, the arbitrators first read the two submissions and then ask each side to state for what it is contending. During the hearing, all evidence that is material and important, must be considered. At the request of either party, all books and papers must be produced. Cross-examination of witnesses is allowed to a reasonable extent. A competent stenographer is employed to take down all evidence.

### The Decision and its Force

The contending parties "agree to stand to, abide by, and perform any and all decisions, awards, order or orders, and judgment that may be made by the arbitrators."\*

\*Pamphlet on Commercial Arbitration of the New York Chamber of Commerce.—pp. 51.

The arbitrators, in reaching their decision, can either follow or disregard rules of law. If the rights of either party are dependent upon a rule of law, the arbitrators decide the point at issue. If the point of law is too strict to be reasonable, it can be set aside and the case determined upon an equitable and common sense basis.

The disputants, in the submission, waive the privilege "to withdraw, or revoke the submission, after the arbitrator or arbitrators have accepted their appointment."\*

These decisions have the weight of court decisions, and are as binding. One might take a case to a court and get a decision based upon a previous decision of the arbitrators. The successful party can take a decision of the arbitrator or arbitrators and file it with the Supreme Court of the State of New York. The award will then have the same power as a supreme court decision. The court will set aside an award if any of the following defects are present:

1. "The award has been procured by corruption, fraud, or other undue means.
2. "There was evident partiality or corruption among the arbitrators or either of them.
3. "The arbitrators are guilty of misconduct in refusing to postpone the hearing, upon sufficient cause shown, or in refusing to hear evidence pertinent and material to the dispute; or of any other misbehavior by which the rights of any parties have been prejudiced.
4. "The arbitrators exceeded their powers, or so imperfectly executed them that a mutual, final and definite award upon the subject matter submitted, was not made."\*\*

These records of the cases and the decisions are available at all times to the members of the New York Chamber of Commerce and outsiders as well, but only upon a written order of the committee on arbitration.

The New York Chamber of Commerce is a very strong advocate that precedent should be followed in all subsequent similar cases. In its "Handbook for Arbitrators" by Mr. Cohen, he says: "A series of commercial precedents has a very important value to the business community and the certainty of knowing how important questions will be answered, will serve

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\*"Handbook for Arbitrators" of the New York Chamber of Commerce. Prepared by Julius Henry Cohen of New York City.

\*\*"Handbook for Arbitrators" of the New York Chamber of Commerce. Prepared by Julius Henry Cohen of New York City.

to prevent controversies in the future." As a result, the arbitrators write an opinion for each case as do the courts.

Each party to the submission must pay to the clerk the sum of \$60.00 and a larger one if the committee deems it necessary. Each arbitrator receives \$10.00 per day or part thereof, and the stenographer gets the usual remuneration. The costs to non-members is the same.

### Work of the Committee

Since the inauguration of this system, numerous contentions have been settled to the extreme satisfaction of both parties. In practically every case the defeated party has acceded to the award. Cases involving both large and small sums have been settled. Cases concerning almost every conceivable kind of merchandise have been taken up. From every case, that has been arbitrated or conciliated, comes the report of quickness of action, equity of judgment, and inexpensiveness.

The plan of the New York Chamber of Commerce has been adopted, almost to the letter, by the Rochester Chamber of Commerce and the Cleveland Chamber of Commerce. A few minor changes were made in each case. This educational branch of the work is considered very important by the New York committee. In its own words it says, "Its largest opportunity, as its most important duty, is to inspire increased regard for the principles of arbitration the world over." This educational feature of the work, the New York Chamber of Commerce is over-anxious to extend. This organization is the best adapted and equipped of any organization in America for educating other organizations to the great value of arbitrating business disputes.

### Other Plans

The other plans occur among smaller organizations. In these organizations the plan is not so strong as that of the New York Chamber of Commerce. Witnesses are seldom sworn, except in the Easton Board of Trade. In only one organization, are there any fees, and these are the actual cost expenses. The main weakness of all these smaller organizations is that the decision of the arbitrators is not binding upon the contending parties. One organization reports that the decision is binding, if the disputants agree that it shall be so, before the arbitration of the dispute.

There is a great field for the arbitration of business dis-



putes by the smaller organizations. Before arbitration will be a success, the decisions of the arbitrator or arbitrators must be binding.

An arbitration plan, similar or like that of the New York Chamber of Commerce, can be put to use in a town of any size. All that is necessary is to have men in the town who are of good report, and "fair and square" in all their dealings with other men.

The idea of arbitrating commercial and financial disputes is becoming international in scope. This movement has been brewing for some time. In June, 1914, the Sixth International Congress of Chambers of Commerce, was held at Paris. On this occasion, the American delegates presented an outline for international commercial arbitration under the direction of commercial organizations. Their plan was adopted by the congress. The intervention of the European War prevented the special international conference on this matter.

In May and June, 1915, a Pan-American financial conference was held in New York City. International arbitration of commercial disputes between business men of the United States and Argentina was very seriously discussed. These meetings inspired a group of representatives of Argentina and the United States to formulate a plan of arbitrating business disputes. This plan covers such disputes as, compliance with orders and damages due to poor packing, quality of merchandise, etc., etc.

No governmental supervision is called for in any case. The settlement of contentions is done by means of a tribunal, formed by the chambers of commerce of each country. The arbitration of disputes is voluntary.

This plan is ready to be studied, and if it is satisfactory, to be ratified by the Latin-American countries. If Argentina ratifies it, it will be tried first between Argentina and the United States. It is hoped that if this plan gets into operation between the United States and Argentina, that it will be an incentive to the other Latin-American countries to adopt the same or similar plans.

The main advantage that will accrue from this step is, that it will greatly increase the Latin-American markets, now open, to American manufacturers. It will tend to alleviate the distrust that each holds for the other, and create a better and more wholesome business spirit toward each other.

## Appendix

## FEES OF THE TRADING BODIES.

*Baltimore Chamber of Commerce:*

Each member of the Committee is entitled to Three (\$3.00) dollars for each sitting. If the amount at issue is over \$1,000.00 the fee may be increased to five (\$5.00) dollars for each sitting.

*Chicago Board of Trade:*

Where the amount in controversy shall be under \$500.....	\$10.00
Where from \$500 to \$1,000.....	15.00
Where from \$1,000 to \$1,500.....	20.00
Where from \$1,500 to \$2,500.....	25.00
Where over \$2,500 and upward.....	50.00

*Indianapolis Board of Trade:*

For each award under \$500 (in value).....	\$10.00
For each award from \$500 to \$1,000.....	12.00
For each award from \$1,000 to \$1,500.....	18.00
For each award from \$1,500 and upward.....	25.00

*Memphis Merchants' Exchange*

Where the arbitration is not based on the determination of grades or quality, If under \$1,000.....	\$15.00
If \$1,000 or over.....	1½% on amount of award

If the arbitration is for the determination of grades as shown by samples the fee varies for the different articles.

*Minneapolis Chamber of Commerce:*

Same as the fees of the Chicago Board of Trade.

*New Orleans Board of Trade, Limited:*

\$5.00 for each case.

*New Orleans Stock Exchange:*

Each disputant shall deposit with the treasurer \$25.00 before a case is taken up. Each man on the committee receives \$5.00.

*Philadelphia Master Builders' Exchange:*

Each member of the committee of three shall receive five (\$5.00) dollars for each sitting. Outsiders shall each pay \$25.00 to the Exchange for the use of it.

*St. Louis Merchants' Exchange:*

Less than \$1,000.....	\$10.00
From \$1,000 to \$2,000.....	15.00
From \$2,000 upward.....	20.00

## COMMERCIAL ORGANIZATIONS.

Springfield, Mass.; Winona, Minn., and Fort Dodge, Iowa, make no charges for their arbitration.

The Easton Board of Trade charges only the actual expenses of the case.

*New York Chamber of Commerce, Rochester Chamber of Commerce, and Cleveland Chamber of Commerce:*

Each party to the submission must deposit the sum of \$60.00, or at the discretion of the committee, a larger amount, all of which pays the necessary expenses as the arbitrators' fees of \$10.00 per day or part thereof, stenographers' fees, paper, etc.

## CHAPTER XII.

### The Chamber of Commerce of the United States

By MERLE THORPE

Less than eight years ago every first-class country in the world had its national federation of business except two--Turkey and the United States. The business men of Great Britain, France, Switzerland, Austria, Italy and Belgium had been organized for nearly a quarter of a century, Holland and Germany for a hundred years.

In the spring of 1912 a group of business men met with the President of the United States and the Secretary of Commerce and Labor and laid the foundation for the United States Chamber of Commerce. Today this national federation, with its 1,256 trade and commercial organizations and their underlying membership of 670,000 men, is the largest in the world.

President Taft, in his message to Congress in December, 1911, urged the importance of coordinating the local commercial organizations, trade associations, etc., into a central body for the purpose of increasing their efficiency and extending their usefulness, and of encouraging commerce between the states and insular possessions of the Union and foreign countries. The suggestion found favor and resulted in the President directing the Secretary of Commerce and Labor to initiate a movement for the creation of a national commercial organization.

Commercial bodies throughout the United States were accordingly invited to send representatives to a conference in Washington, April 22, 1912, to set the necessary machinery in motion. The sessions lasted two days, and the outcome was the Chamber of Commerce of the United States, with Harry A. Wheeler Vice-president of the Union Trust Company, Chicago, as its first president.

Mr. Wheeler held the presidency two years, and was succeeded in 1914 by John H. Fahey of Boston, who also held the office two terms. R. Goodwyn Rhett, President People's National Bank, Charleston, S. C., was elected in 1916, and re-



elected in 1917. Harry A. Wheeler in 1918 was again called to the presidency, and in 1919 was succeeded by Homer L. Ferguson, President of the Newport News Shipbuilding Company, Newport News, Va. Elliot H. Goodwin was appointed general secretary when the office was created in 1912, and still holds that position.

The steady growth of the National Chamber is shown by the following table:

Organizations	States	Associate and Individual Members
April 1913— 326	43	
April 1914— 549	47	1954
April 1915— 646	47	2724
April 1916— 737	48	3490
April 1917— 919	48	5716
April 1918—1041	48	7447
April 1919—1177	48	10193
Dec. 1919—1256	48	11900

Embraced in this membership are organizations and individuals in every state in the Union, and in Alaska, Hawaii, Porto Rico and the Philippines; also the American Chambers of Commerce in London, Buenos Aires, Paris, Havana, Naples, Constantinople and Rio de Janeiro.

### The New Nationalism in Business

What has brought about this new development in American life? What common impulse has stirred this great responsible body of American business men?

Any movement that has behind it 670,000 people is pregnant with significance. When in eight years it can enlist 670,000 business men who direct and control the principal enterprises in the country, it strikes deep at the roots of American life.

It is no longer enough that a mere handful of men, the leaders of the world's affairs, shall be concerned with the nation's business. Our collective problems have become our individual problems. Business men have felt the want for some central organization that would promote a broader understanding of business in its national phase, that would apply to the industry of the nation the same principles of cooperation that have done so much for their own business. They subscribed to the chamber of commerce idea: A unity of purpose and of action on the part of business men.

Addressing the first annual meeting of the national chamber, President Taft said:

"This organization has been perfected at a time when it can be especially useful. I have been surprised in going about the country to find that there is no town and no village so small that it does not have either a board of trade or a chamber of commerce. Now there is not any reason why those associations should not be units that go to make up together, with the larger organizations of larger towns and cities, where there is a real trade and real commerce, the constituency of this great federation; and I speak of the movement for the purpose of showing the power that this national federation has by referendum to all those member organizations to gather from them the best public opinion that there is, in order to influence the legislation of the country, so far as that may be properly influenced."

Two years later President Wilson, addressing the national chamber, said:

"I have followed with a great deal of interest the work of this association. You are beginning to know the other parts of the country just as well as you know your own part of it; and, better than that, you are beginning to know what the other parts of the country think as well as what your part of the country thinks. And it will often happen, I dare say, that you will find that other parts of the country have an idea or two. And very few instrumentalities are, or will be, more serviceable than yours in this digestion and comparison of views, this frank assessment of the opinion of business men, at least, of the country, with regard to all great matters of public policy. I congratulate the country upon having such an instrumentality, and I think your own committees will testify that they have a broader conception of what this association can do than they had before, and that they have this as their leading conception, that the life of this country does not reside even chiefly in any center of population of the United States."

### Determining Chamber Policies

Policies of the national chamber are determined by the referendum of a two-thirds' vote of the member organizations, and in annual or special meetings by a two-thirds' vote of the delegates from the several organizations. The former method

of ascertaining business opinion throughout the country is growing in popularity among business men, and the force of their views thus registered is felt in the country's general commercial and industrial progress. Members of Congress and of legislatures have expressed appreciation of these declarations by business men because through them they are able to size up situations from an angle not afforded by any other source. Included in the referendum vote are the organizations in the small city as well as those in the greatest metropolis so that when the returns come in the national chamber has the opinion of all elements in the world of business, and not merely the opinion of a single group or section.

Before a question is submitted to the organizations for a vote, the committee having the problem in hand makes a careful investigation and reports its findings and recommendations to the board of directors of the national chamber. If the board decides to submit the recommendations, arguments are prepared for and against them, and they are sent to the member organizations, which have forty-five days in which to give them consideration. The national chamber is committed by a two-thirds' vote. Failing to obtain a two-thirds' vote, the proposition is lost. Every member organization, however small in numbers, has one vote. No organization, however large, has more than ten votes.

Senator Charles Curtis, a recognized leader in Congress, discussing the referendum plan of ascertaining public sentiment, said:

"Congressmen evidently were impressed by the national chamber's referendum on the railroad question, it being plain that action was taken after the business men of the various organizations had given the subject careful attention. A statement by folks with whom we are acquainted of a conclusion reached as the outgrowth of study for a period of days, or weeks, carries weight. When senators and representatives learned of the action of local commercial organizations on the proposed railroad legislation, they appeared eager for all the information available, and gladly gave consideration to the principles advocated. Even those who were not in harmony with the national chamber's railroad platform had respect for the manner of its creation. The national chamber presented no



bill. It left that feature of the proposed legislation to Congress. Its simple declaration of principles appealed to all who had been trying to frame legislation, and I find that several things the national chamber stands for had been incorporated in both the pending railroad measures. Regardless of the outcome of the proposed legislation, the Chamber of Commerce of the United States has set an example of how to present helpful information to Congress which others engaged in similar work could follow with profit."

### National Chamber Activities

Perhaps the national chamber's greatest service to the country was in directing war activities. Recognizing the tremendous task of mobilizing all the resources of the Nation for the successful prosecution of the war, and the special duty of business men to aid in every possible way, the national chamber placed at the disposal of the government all the facilities of its organization for any use to which they could be employed. The first call came through the Secretary of War, when he asked for the appointment of local committees throughout the country to cooperate with the district quartermasters in the purchase of war supplies. These committees, speedily brought into being, rendered valuable service.

The war service committees, organized to act with the government's war industries board, performed highly important tasks the last year of the war, and were doing their best work when the armistice was signed.

The national chamber called a war convention at Atlantic City, and put into operation a program which brought every business interest in the United States solidly into line for everything the government wanted done. The convention said to the Government: "You name it, and we will go over the top with it." And there was no faltering on the part of American business men while the fighting was in progress.

After the armistice, a great reconstruction convention was held at Atlantic City which set in motion the machinery for pulling the country together industrially.

The latest achievement of the national chamber was to bring about a conference at Atlantic City of representative business men of Belgium, France, Great Britain, Italy and the United States for the purpose of making plans for reopening

the channels of commerce. It has been regarded as the most important meeting of business men since the signing of the armistice.

### Membership Qualifications

Every commercial or manufacturers' association not organized for private purposes is eligible for membership in the national chamber. Such organizations are of two classes designated as follows: First—Local or state commercial or business organizations whose chief purpose is the development of the commercial and industrial interests of a single state, city or locality. Second—Local, state, interstate or national organizations whose membership is confined to one trade or group of trades.

In addition, persons, firms and corporations holding membership in any organization admitted to the national chamber are eligible for election as associate and individual members. These members receive the regular publications of the national chamber and may avail themselves of the facilities of the national headquarters, may attend all regular and special meetings of the chamber and, subject to the rules of such meetings, may have the privilege of the floor; but they are not entitled to vote except as duly accredited delegates of organization members. The purpose of creating associate and individual memberships was to secure the direct and continuous interest in the work of the national chamber of the business men in every aggressive section of the country who represent in their organizations and in their communities leadership and constructive ideas.

An association affiliated with the national chamber having twenty-five members is entitled to one delegate and one vote, and for each two hundred members in excess of twenty-five, one additional delegate and one vote; an association of less than twenty-five members may be admitted to membership if in the judgment of the board of directors its importance justifies it, and is entitled to one delegate and one vote, but no association is entitled to more than ten delegates and ten votes.

The rate of dues for each organization member is based upon the scheduled annual income from membership fees and is approximately one-half of one percent of such income; provided, however, that no organization member shall pay annual

dues of less than \$10, or more than \$700. Associate members pay annual dues of \$100; individual members, \$25.

### How Governed

The national chamber's board of directors is selected by districts to represent all sections of the country. Twenty-five members are active and hold office for two years, thirteen being chosen at the annual meeting in one year and twelve in the succeeding year. The board has supervision of the affairs of the national chamber, selects the officers—a president, four vice-presidents and a treasurer, who are ex-officio members of the board. An executive committee of eleven members of the board, with the president ex-officio, acts for the board in the interim between its meetings. The directors are nominated by a committee selected by the national councillors.

The national council is composed of one representative from each organization member in the national chamber. It was created for the purpose of bringing about continuous co-operation with the board of directors of as many able business men as possible in every section of the country, and it acts in an advisory capacity to the board. It is the duty of the national councillor to bring to the attention of the national chamber all matters that come to his notice in his own locality which might be valuable to the members of the chamber.

Much of the work of the national chamber is carried on through standing and special committees which report to the board of directors. It is particularly necessary that all committees should be broadly representative and that the conclusions reached should be national in character. These committees include:

Budget and efficiency; federal trade; international commercial arbitration; railroads; statistics and standards; Argentine arbitration; ocean transportation; highways; public utilities; employment of soldiers and sailors; cost accounting; fire waste and insurance; finance and budget; building; financing building; incorporation of chamber; reorganization of chamber; revision by laws; war service executive; federal taxation committee; postal facilities; publicity; national defense.

### A Business Service

Through its Washington office, the national chamber provides direct service to its members in response to requests for



information, and also through its publications. A general bulletin issued weekly gives its members prompt and accurate notice of all activities of executive departments affecting business. Legislative bulletins of the national chamber, also issued weekly during the sessions of Congress, constitute a thorough digest of current national legislation affecting commerce and industry.

A special division of information is maintained at the national headquarters under the direction of business and legal experts. Members are furnished direct with advice and data obtained from official and other first-hand sources available in the government departments, the Library of Congress, or elsewhere in Washington. Information and assistance is also furnished to members who apply personally at the national headquarters.

*The Nation's Business*, the official magazine of the national chamber, is published monthly, giving a careful and readable interpretation of the business news. This is the editorial confession of faith of the Nation's Business:

"To create a national viewpoint for American business, breaking down provincialism and narrowness.

"To stimulate at the same time community development.

"To advocate foreign trade as a natural and necessary growth, making stable our domestic trade.

"To emphasize the value of organization—of teamwork in business.

"To serve American business by furnishing:

"A perspective of the world's commercial activities with their interpretation.

"A clearing house of the new ideas in organized business.

"An intelligent report on current relations of government and business.

"To temper all with a serene belief in the idealism of American business.

"To find in all business the romance and the enthusiasm which each man finds in his business.

"To be human—in the way that business is to business men.

"In this faith we shall strive to express the sanity, the integrity, and the stability of American business.'

### Organization Membership Service

The organization service bureau of the national chamber is equipped to furnish commercial and trade organization members with data in regard to their organization structure, methods of work and activities. It is a clearing house for such information and affords a means for making the successful meth-

ods and achievements of one organization the common property of all.

Information is largely acquired through correspondence and questionnaires, from official publications of organizations and direct study on the ground. It is dispensed through letters in replies to inquiries, news-letters and pamphlets, and through personal visits of the chief of the bureau to organizations.

Through its semi-monthly news-letter to secretaries, the bureau brings at regular intervals to the attention of commercial organizations new phases of the work of particular organizations in the field. It is a valuable instrument also in carrying on investigations of any problems or line of endeavor which may at the moment be paramount. The bureau's pamphlets incorporate the results of its special inquiries and cover to date the following subjects: Organization structure and method; traffic bureaus; community advertising and publicity; agricultural bureaus and committees; industrial development; war activities of commercial organizations; commercial organization credit bureaus, and building a modern chamber of commerce.

The chief of the bureau devotes a large part of his time responding to requests for the bureau's field service. On such visits to organizations the chief of the bureau confers with their boards of directors, committee chairmen and members regarding their local problems, and addresses their memberships on subjects pertinent to commercial organization work and aims.

It is the purpose of the organization service bureau to continue gathering, testing and classifying information to the end that there will always be available to the organization members of the national chamber a fund of data as to how the several organizations have met and solved their problems.

### A Program of Expansion

Experience has demonstrated that the time has come when it is necessary to expand the national chamber's organization to accord with its increasing responsibilities and obligations, and to assure representation for every division of commerce and industry. With this situation placed before them, delegates to the annual meeting at St. Louis recommended that the board

of directors proceed to bring about such structural changes as are needed.

The plan of operation under which the chamber has conducted its affairs proved well adapted to conditions arising at the time the chamber was established and during the period prior to the war, but the war brought new conditions and the changes contemplated will change the structure from one of general character to one of divisional operation and responsibility. In making such changes all activities of the chamber will be so coordinated that each will be related to the whole in a manner to guard all policies and precedents that have characterized it during its seven years of life.

The structure of American business, if cross-sectioned, is found to consist of the following definite and distinct departments, and it is, therefore, proposed to reorganize the national chamber's machinery to conform to these natural divisions by the creation of departments to operate for and in their interests:

Industrial production—embracing manufactures, mining and even perhaps agriculture, if agricultural interests some day should desire to federate with organized business.

Domestic distribution—embracing all wholesale and retail distributors of merchandise.

Foreign commerce—embracing organizations that have to do with exports and imports.

Transportation and communication—embracing association related to railroad operation, telephone, telegraph, public utilities and water transportation, both ocean and inland.

Finance—embracing all association of banks and bankers.

Insurance—embracing fire, life, casualty, liability and marine associations.

These six departments include virtually all of the elements of commerce and industry. A seventh within the chamber would be that of civic development, which would constitute a clearing house for beneficial activities in this field as differentiated from commercial development, which latter would be abundantly cared for in the other divisions.

### National Chamber to Build

The national chamber has bought a property in the very heart of Washington where it will erect a home for



American business. It is just across Lafayette Square from the White House. Washingtonians know it as "the old Corcoran place." The lot is at the corner of Connecticut Avenue and H. Street. The new building will be erected where formerly stood the house that was at different times the home of Francis Scott Key, Daniel Webster, and Mr. Corcoran, founder of the Corcoran Art Gallery. The structure, five stories high, will cost approximately \$2,500,000.

## PART II.

### Methods of Organization and Operation





## CHAPTER XIII.

### Membership

#### Democracy as a Factor in Chamber of Commerce Membership

By HOWARD STRONG

The average commercial organization has during the past ten years assumed an entirely new form, and in this new form has made a new assumption and taken on a new responsibility.

The old board of trade was essentially an organization for the protection of property rights. It was as a matter of fact a board of trad—ition. It was primarily, perhaps exclusively, interested in the promotion of the business interests of the community. It did not pretend to concern itself with anything outside of these interests. This was, of course, perfectly proper. The organization was not sailing under false colors, as long as the promotion of the business interests—the protection of property rights—was its declared intention. But, was the organization democratic?

Democracy, I think, implies activity in the interest of the whole people. We all recognize, of course, that the development of the business of a city is essential to the welfare of every man, woman and child in that city, but a large proportion of the citizens of any community are not interested, or think they are not interested, in retail credits, in traffic facilities, in grain inspection, and other activities which were characteristic of the old board of trade. And, is it not true that the average man of the community felt that the board of trade was essentially and legitimately for the promotion of business interests, and that he had no vital concern in it or its doings?

#### The Organization of Today

The new organization has broken away from the old conception. It is called usually the association of commerce, but all of us are proud to think of it and designate it as an association of citizenship, which takes up every vital question of interest to the whole people. It is an organization for community

service. In other words, it makes the clear assumption that it is no longer an instrument for the benefit of a certain group of the community, but that it exists for the promotion of the welfare of the whole community. Since this assumption is unmistakable, is not the responsibility for community service, which means democracy, equally unmistakable, and must not our present-day organizations become democratic if they are to sail under true colors?

Democracy, as I see it, is a matter of dimensions, vertical and horizontal. True democracy requires that the vertical dimensions be unbroken, that the interests of every class, of every strata, be represented. True democracy requires, as well, that the horizontal dimension be complete, that every section, every neighborhood, have proper consideration.

In our struggle for democracy we start with a prejudice to overcome. I think you will grant that in every community there is a suspicion abroad that we, the big central commercial organization of the city, do not represent every strata and class of society. This is a natural suspicion. In the nature of the case, because our support must come largely from the employing class, because this class is most vitally interested in our commercial and industrial activities, because our forebears, the board of trade, represented this class, we can hardly expect anything else. Furthermore, we must acknowledge that some of our members still have this conception, and that they think our activities are legitimately for the benefit of this single group alone.

### The Time for Action

It is our first duty to correct this misapprehension. Primarily we must avoid the appearance of evil. It is certainly wise, and I believe it is usually possible for us, as secretaries, to keep our organizations away from the consideration of questions upon which their attitude is certain to be misunderstood. In my mind it is almost universally a mistake for the commercial organization to take active part in labor questions. No matter how sincere may be our conclusions, if we align ourselves with the one side or with the other, we shall be misunderstood and our motives questioned. The best way to democracy that I know of is through democratic action. If the right is upon the side of the public service corporation, act fearlessly and make the fullest possible statement of your reasons. If

it is on the other side, act with equal fearlessness, and you will probably find that the public service corporation, which is usually made up of reasonable men, like the rest of us, will acquiesce and perhaps respect you the more.

When it is necessary to take action with reference to some public question upon which the community is divided, it is frequently possible to clarify the problem in the minds of your citizens, and materially to assist in reaching a solution without necessarily aligning yourselves with either faction.

### The Necessity of Bigness

We are all familiar with a charge that our organization represents primarily the jobbing interests, the retail interests, the manufacturing interests or some other special group of business men. The best way that I know of to meet this criticism, is so to distribute the activities of your organization and the attention of your directors and officers, so to keep the balance, that there can be no question as to your equal interest in every group and its activities. Another suggestion: It is an excellent plan, if it can be arranged, for the same man to act as secretary both of your jobbing committee or division and of your retail committee or division, for here is where the greatest controversy is likely to arise. I know one organization which has avoided much acrimonious criticism between these two groups by having the secretaries of their retail and wholesale merchants boards with desks in the same room. When two men fill their pipes from the same tobacco pouch and swear at the same steam radiator all winter long, it is going to be difficult for them to have a serious disagreement in their work, and the attitude of the secretary finds its reflection in the attitude of the board or the committee for which he is working.

Again, in the larger cities, there is a constant tendency to suspect the central organization of working for the down-town interests in opposition to outlying districts. Even though some of the larger improvements may seem more fundamental, it is well worth while for the central organization to give a considerable share of its time to local improvements. Jump at the first chance to decide anything in favor of an outlying section of the city in opposition to the interest of the down-town section, and you have done more to convince the whole community of your



honesty and to secure the support of the community, than years of protestations of sincerity can accomplish.

Much as the secretary should endeavor to stay in the background and to keep his officers and directors and committee men in the limelight, it is nevertheless true that, in the mind of the ordinary citizen, the attitude of the secretary reflects in a large degree, the policy of his organization. Perhaps no one, therefore, is in as strong a position as the secretary to convince a community of his organization's desire for democracy.

## CHAPTER XIV.

### The Best Method of Sustaining and Increasing Membership

By BYRES H. GITCHELL

When the subject was first assigned to me I proceeded to prepare a questionnaire covering all of those questions which anybody could possibly ask who is thinking of the membership problem of a commercial organization.

I succeeded in making up a list of forty-eight questions and had about decided to send them out to all the members of these organizations with the request that each answer all of these questions frankly and fully. I laid the questionnaire aside for ten days and when I took the matter up again I found that if this questionnaire were submitted to me by any other member of the association I could not answer more than eight or ten of the questions in any way that would be helpful in preparing for the discussion of the subject assigned to me.

Therefore, I decided to write up a paper presenting the case in favor of the employment of membership solicitors in the light of our own experience in Detroit.

#### Experience in Other Cities

The paper was written and then I had before me Mr. Mead's injunction not to present local experiences only. In order to ascertain the experience of secretaries in other parts of the country, I submitted copies of my proposed paper to eight or ten commercial organizations whose membership problems were much similar to those which we in Detroit were still trying to solve. I asked these gentlemen if they would read my paper and criticise it.

To seventy-seven other members of the American and Central associations I did not send a copy of my proposed paper, but I did ask them if they would write me a letter outlining their views on this subject, making it a point to answer the following five questions:

1. Do you employ a membership sales force in your organization; if so, how large is it; how is it operated?
2. What results has this department been securing as a whole?
3. What do you consider the greatest objection to the employment of membership solicitors by a commercial organization?
4. What do you consider the best argument in favor of their employment?
5. What plan would you recommend that a commercial organization should pursue in sustaining and increasing its membership?

To those secretaries to whom I sent copies of my proposed paper, I asked that they should state what they considered the weakest point in the operations of the membership department of the Detroit Board of Commerce.

Our queries brought many opinions by no means in accord with our own. Out of forty-one answers, thirty never tried the employment of membership solicitors; six, exclusive of Detroit, were using them and were satisfied with the results; two had tried and abandoned the idea, one because they felt that the memberships so secured were "not well sold" and the other because "a situation developed where it was practically impossible to get our own members to solicit new members."

After considering all of the replies very carefully, I had come to the conclusion that I could serve you gentlemen best in the time allotted to me if I would devote it entirely to a discussion of my own paper in the light of the forty-one letters which I had received on this subject from brother secretaries in answer to my five questions.

### Something to Sell

If we should go into a manufacturing plant and ask the manager if he considered it worth while to employ salesmen, he would probably excuse himself for a minute and telephone for a doctor—or for the police. A star salesman was once asked what he considered the best asset of a salesman. His answer was: "Something to sell." That's the question for us. Have we anything to sell that is worth selling? If we haven't then our organizations are charitable institutions and our salaries are gifts. If we have, then the natural thing to do is to sell it. Comparatively few business men are in business for their health, and it is likewise safe to assume that the average commercial secretary has not chosen his vocation for recreational purposes. We're all after results; and efficiency is merely the ability to get them. The day has gone by when commercial



organizations have to defend their right to exist. The community admits that we have a contribution to make to civilization—a service to render, a product to sell. But that doesn't mean that they are all buying it. There's a limit to what any man will buy of his own accord. Beyond that limit he's got to be *sold*. It doesn't make any difference whether it's a bible or a piano, there are a lot of us who will think we can get along without it—until we're shown we can not, and sometimes, in the language of the old darkey, "It takes a heap o' showin'." But it's generally true that the *most precious stones* are brought to light by hard digging. They aren't lying around on the ground. Also, a miner wouldn't think much of going after them with a trowel. He wants a full-fledged spade.

If we want the solid good type of men in our organization, we've got to have the best equipment we can get. The miner who is digging in sand can get along with a spade, but if he's moving rocks, he'll have to take his crowbar. So must we have our equipment equal to any demand.

### Some Sales Arguments

There are rules and rules as to what constitutes a salesman, but Webster's plain definition beats them all—"one who *sells goods*." As the "goods" vary, so must the salesman. The commercial organization is turning out a product which, though not as tangible as that of the manufacturer, is nevertheless as *real*. That product is community service. The chief *market* is the membership, and as that market expands, so expands the usefulness of the organization. It requires a peculiarly high type of salesmanship to sell that product. Samples can not be carried along in a grip. The membership solicitors in the Detroit Board of Commerce are not theoretical salesmen. They have all passed the apprenticeship stage. Each day brings some experience that demands the utmost of their selling ability. A while ago "A" went to see Mr. Brown, a local theater manager, about his resignation. Mr. Brown's statement was: "Oh, I never get around to any of their meetings, or get any benefit from it. I haven't even been in the building. It's no use to me. That's all there is to it." Whereupon "A" replied: "See here, Mr. Brown, if a man came to your theater here, and bought a ticket and went in and sat down and went to sleep while the show was going on, would you give him his money

back?" Mr. Brown is still with us. In another case, "B" went to call on a fiery old German who had also resigned. "B" stated his business, and by actual time, the next five minutes were consumed by Schmidt in consigning the Board of Commerce, and all connected with it, to a realm analogous to Sherman's description of war. When he paused for breath, the salesman began to laugh and said that, "being a Universalist, he wasn't in the least offended." Then he started in on a ready-made sales talk. When he left the shop, he carried Schmidt's check for six months' dues in advance.

These are but two instances. A novel would not include them all. Every such case would be lost by the novice. They are saved only by the experienced salesman who regards negatives and frowns as merely incentives to action. But results are not obtained without careful planning. A sales organization, not thorough, is unworthy of the name. Our aim in Detroit is to develop the department to the highest possible degree of efficiency, and we employ every available means to this end. Our staff is composed of four men: three solicitors, and one man to handle resignations and delinquents. The membership secretary keeps a file of "prospects" upon which the solicitors work. Staff meetings are held each morning, and the day's work carefully mapped out. Reports are made each night showing the results per salesman, and every individual case considered at the next morning's staff meeting. Before any prospect is interviewed, he has received literature, and a letter, both calculated to prepare the way for the salesman. The resignations and delinquents are handled in a similar way, and no effort is spared that can avail to bring them back, in good standing, to the organization.

### Service Men

When a membership solicitor secures an application, he ceases to be a salesman in that particular case, and becomes a "service" man. His duty to the new member is not completed until that member has entered into the activities of the organization. Even the arguments used in making a sale are the objects of careful study, and are threshed out in conference. For example, the secretary will say to a staff salesman: "George, I am a real estate dealer, with plenty of means, but I am 'sore' at your organization because I think you are giving my competitors tips on business. Sell me." Then George starts

in, with the rest of the sales force critically watching. The hardest arguments are used on both sides—and a snappy discussion follows.

Once a year we plan a campaign in which everyone joins. "Teams" of members are made up, and considerable publicity secured. The results have been gratifying, but such a campaign can no more replace the steady, consistent plugging of our membership staff than a manufacturer can employ a fresh force for the rush season and lay off entirely for the rest of the year. The campaign is merely the harvesting season.

The final test of this, or any other system is, however, the results. The theory is worth nothing if we can't back it up. The membership staff was acquired in January of this year. When we asked the directors for a trial, we promised them an average of seventy-five members a month for all save the two quiet vacation months of July and August, when business is dull.

The records show that in January we secured 92 members, and collected \$647.00 of delinquent dues; in February, 98 new members, and \$796.00 in dues from delinquents. Beginning in March, the staff did organization work for the campaign, and their services in this connection were invaluable. The campaign brought us 725 new members—92 more came in April, and 60 in May. In June we held our annual cruise, and in this connection again, we enlisted the membership men for organization work. But little of their time was given to selling. Even at that, however, we secured 40 new members. July, one of the discounted months, brought us 50 more, and August, 59.

The collections, also, were steadily improving, and in August—with business conditions as they had been during the summer—two men collected over \$6,000.00 of delinquent dues.

But there was another result. The sage has said: "As a man thinks, so is he." The maximum is likewise true of an organization. The enthusiasm of the salesmen influenced the entire staff. The argument we advanced to others kept clearly before our minds what we professed to be. Conviction is necessary to sell, and conviction, like enthusiasm, is contagious.



### Plans for Committee Organization

We had now formulated plans to establish a number of standing committees from our members to work with the salesmen for about two hours one day a week. The idea is to have a committee for every day in the week. Mondays, Bill and Tom will go out with the salesmen for about two hours. Tuesdays, John and James, etc. In this way we expect not only to increase our efficiency in the work, but also by "reflex action" to keep our members interested.

We had eight months of trial of our methods, and these eight months covered the "slack" time as well as the rush season. The membership staff stands or falls on a record something like this:

1216 new members in eight months.

Over eight thousand dollars of delinquent dues collected.

An increase in our *annual* revenue of over \$30,000.00, at a total expenditure of less than ten.

An average of eighty new members a month, *excluding* the months of July and August, and *also* the month of the campaign.

An average of 152 new members a month, and \$1,000.00 per month of collections, from January to September.

The cancellation of about 50 resignations, and the rekindling of enthusiasm all along the line as the result of analyzing our assets.

A certain optician in Detroit has a very pertinent sign in his window. It reads: "I charge for examining the eyes. Did you ever get anything *good* for nothing?" We believe that our organization needs the best men it can get to handle its membership—the source of both income and influence. We invested in them, and they, in turn, produced results satisfactory to us, in proportion to the amount invested. \* \* \* \*

### Experience of Large Cities

Following are a few typical letters from men who were actually confronted by the same problem that we were confronted with in Detroit, and they were expending just as much time and just as much energy and substantially as much money in trying to find the answer to the broader question that we were trying to answer for ourselves in Detroit. Their membership methods are exceedingly interesting to me, and I know that they will be to you. Richard C. O'Keefe, the General Secretary of the Buffalo Chamber of Commerce, writes a long letter, the interesting part of which is this:

"We have never maintained such a force in this organization, and I was unprepared to reply intelligently to your various questions. It occurred to me, however, that to assist in determining the value of your argument from our viewpoint, it would be well to give the plan a try-out, which I did, and I

am pleased to report that in one week's time three members of my office staff secured twenty applications. Needless to say, I am very much inclined to continue the work, and believe that we can substantially increase our membership by this means.

"For the actual work of each committeeman we have devised a plan which makes it absolutely necessary on the part of anyone participating to do his share of the work, or indicate to every other member of the committee that he has neglected it. We have prepared a very carefully selected list of over 3,000 prospects. These prospects are arranged on cards in triplicate, filed alphabetically and then submitted. This file of prospects is taken before the membership committee and read off one after another.

"Supposing that prospect 1296, Mr. W. J. Keller, is taken by Mr. E. P. White; the card is removed from the file and handed complete to Mr. White. He writes his name on card number three following the words 'Taken by,' and returns card number three with card number one to the secretary, keeping card number two. Card number one is again filed in the prospect file, and card number three signed with Mr. White's name, indicating that he has agreed to see this prospect, is placed in another file behind his name as a record that he took the prospect. You will see at once that our file, having been completed with a great deal of work, is not spoiled by giving it away. You will also see that because of the fact that the duplicate and record cards have been torn from card number one, we know that the prospect has been taken; and you will also see that Mr. White has gone on record as having taken prospect 1296 and must report upon it to the chairman. The further value of this complete prospect list, record of prospects, and the check upon it, is that all of the work done by the membership committee throughout the year accumulates, and is a record and resource to the chamber for future membership committees. This prospect card is the writer's device, and has already proved its worth beyond question. For the further assistance of the membership committee in their work we use a little booklet briefly outlining the purpose and activities of the chamber of commerce, and enclose you herewith a copy of that."

The letter of Mr. Hubert F. Miller, the Business Manager of the Chicago Association of Commerce, was a very interesting one:

"Your letter of the 8th has just been received. I have not read the enclosure, but will answer your questions in the order asked, as follows:

"1. We maintain a membership sales force of two regular employes, engaged exclusively on membership solicitation. We have two other men who work on collections and reinstatements of resignations, and these two men also secure membership applications, in addition to their regular work. The department is conducted under the immediate supervision of the head of the accounting department, who is one of the two men who works on collections and reinstatements and looks after the detail of membership work as well. We also have a stenographer in the office who keeps the records and minutes of the membership committee meetings. He is secretary to the membership committee, but he is not the 'membership secretary,' as we have no such office. The management of the membership work is under the general supervision of the business manager.

"2. The result of this arrangement or department is entirely satisfactory. It is based on several years of experience and experimenting, and our records show that the two employes who give their entire time to soliciting member-



ships secure almost as many applications as all other sources combined. If we add the number secured by other employes, the total would be considerably in excess of the number credited to the membership committee and all other volunteer effort. Please remember our membership committee is appointed annually and its members are chosen from our best volunteer workers in the membership field. The work of this committee is supplemented by various auxiliary membership committees. It holds weekly meetings.

"The committee tries new plans each year and does a lot of good work and secures a large number of applications. The total from all sources averages 500 to 1,000 a year. I believe, however, that more than one-half of all the applications from year to year are credited to the paid solicitors.

"3. We have tried plans similar to yours and find them quite satisfactory. We try to invent new schemes or plans annually. Just now we are holding frequent meetings called membership conferences. These attract about fifty of our best workers each week. We have good speakers on association topics and usually have a good dinner and some entertainment. We furnish enough of the goodfellowship feeling and enthusiasm to last the men another week. We foster a spirit of friendly rivalry by dividing the active workers into two bands or teams to compete for leadership. Formerly we had five or six divisions, but find it works better to have but two.

"Our membership solicitors and other membership employes attend all meetings of the volunteer committeemen and help them a great deal with suggestions. All of our employes have been with us several years and are men especially adapted to the work. We have tried out perhaps fifteen men who have failed to make good although they were splendid men of established reputation as salesmen in other lines. It requires a particular gift of persuasion and diplomacy, as well as tact and business ability, to make a good membership salesman.

"4. I see no objection to employing solicitors. I do not believe, however, in paying commissions. We have tried out that system repeatedly and abandoned it finally. I believe a great many organizations throughout the country are suffering now from results of membership campaigns conducted on a commission basis. There is always danger that such memberships are not "well sold," and, therefore, will not stay sold, and a flood of resignations results at the end of the first subscription period.

"5. The best argument in favor of paid solicitors for membership work is in the results obtained. A good membership man, well trained, with a thorough mastery of the talking points in favor of his organization, working industriously and continuously, can outsell at least two or three ordinary volunteer workers. A volunteer worker has other business to do; he can not concentrate on membership work. It is a "side line" with him, and after he has worked all his friends and acquaintances he runs out of material and finds it very hard to sell strangers.

"In conclusion, I am thoroughly convinced that salaried solicitors are a necessary part of association work, especially in larger cities."

### New York's Membership Experiment

Here is a very interesting letter from Mr. S. Cristy Mead, the Secretary of the Merchants' Association of New York, in which he says:

"1. A and B. When our membership bureau was created last June a year ago, under the supervisory jurisdiction of a small membership commit-



tee to maintain and upbuild the membership, the city was divided into six sections, each large in area, and a corps of six solicitors was selected, each being assigned to a district after being thoroughly grounded in the benefits flowing from commercial organization work, as well as the association's achievements.

"C. Each canvasser was given a file of the prospects in his district, the membership committee having previously determined that each was eligible to membership. On a printed card, which indicates the form of the eligible membership file given to each solicitor, initial and subsequent calls were noted. Our daily report form (of which a copy is submitted) showed each day's work. The canvasser's cards and the reports were carefully examined by the manager of the membership bureau, who not only discussed with each solicitor the canvass of certain prospects, but also personally gave or secured such assistance as could be requested to promote early and favorable action on the membership invitation extended by our field representative on behalf of either the membership committee, one of our officers or directors, or a member. The entire field force was frequently called together in conference by the bureau manager, to discuss difficulties encountered, to review recent work, or to be instructed in detail on some important activity in which the association may have engaged, of vital interest to a part of or the entire membership. These conferences are instructive to the men, help membership upbuilding, and often result in the writer learning, for instance, how various interests regard phases of our work, or subjects of concern to certain trades or industries, or the names of men particularly qualified to render committee service, etc. The conferences lasted from an hour to an hour and a half, being held Saturday mornings when, under the conditions existing in the city, canvassing is difficult, if not impossible.

"The districts were so arranged that they could be easily and quickly enlarged or decreased in area, dependent upon the size of the fluctuating field staff.

"2. As a whole, the soliciting force secured excellent results. Notwithstanding the heavy initial cost in organizing and equipping the bureau, the first year's work of the bureau showed a profit of more than \$7,500. Our directors approved the view of our membership committee that the work is profitably conducted, even though the cost of obtaining a new member represents the first year's dues, \$50, as in the past the average life of membership is eight years. As a matter of fact, the cost of securing new members has been about \$25.

"3.—A. What I would consider as a weak point in your method, namely, the approach of the prospective member, will be largely met, if not entirely, by standing committees of your members working with your salesmen for about two hours one day a week. If any appreciable number of your membership will continually and systematically give such valuable service, yours will be the best plan of membership upbuilding, for it will combine the canvasser's intimate knowledge of your activities and the personal interest and influence of a member in extending a membership invitation. It will make certain an effective approach at great economy of time and under the best possible auspices, for the merchant or professional man will show some appreciation of the compliment paid by the call of one of his number, even though it be only to listen to the argument, and if that opportunity is afforded, interest in the work will be aroused sooner or later with resultant membership. Falling personal call, letters of introduction from members for the canvassers to present to others in the same or other industries, carry great

weight, especially if the latter highly, though briefly, commends the activities of the organization, the benefits accruing therefrom and urges membership.

B. Would not the efficiency of the salesmen be increased by the time given to collection of dues being devoted to membership soliciting? We have one man, one of our regular force, devoting his entire time to collections. Although membership dues represent a debt just as much as that incurred in buying merchandise, at the same time the efforts to collect can only be followed up to a certain point, and in this work we find other qualities than those usually possessed by the high class salesman are required.

### The Membership Solicitor

"4. There can be no real valid objection to employing membership solicitors any more than to the merchant using salesmen to market his product, other than that the task of the first named is the more difficult because membership is intangible. Members might question the policy of spending large sums to increase the enrollment, but there is no ground for reasonable criticism if membership upbuilding is self-supporting. Without the aid of members, however, membership canvassing is not productive of results worth while for the effort expended.

"As you so clearly state, the membership solicitor must be a man of intelligence and tact, and possess the highest degree of salesmanship. Men of that type can earn more in mercantile pursuits than in our field, hence the personnel of a successful canvassing force changes frequently, as the men engaged therein come in contact with better opportunities. Such has been our experience. The cost of maintaining a membership field force is high, therefore, as it takes at least a month's training before a canvasser can effectively present membership and become even passingly familiar with the prospects.

"5. Commercial organizations, especially those in the large centers, spend large sums in issuing literature, in publicity work, and in advertising in one form or another. While they are absolutely necessary, the paid membership solicitor is the best possible means of calling attention to the organization's aims and achievements, for he comes in direct contact with the principal—the person your literature may or may not reach—and if the field representative is of the right type, a favorable impression has been given, or a misconception concerning the organization has been removed, or suggestions have been obtained worth many times the cost of the canvass, even if the solicitor is not successful in securing the membership.

"A paid soliciting force of necessity must become acquainted with a large part of the membership, and in time nearly all the eligible members, with the result that such solicitors can be used to great advantage, not only in intensive campaigns, but in interesting or arousing part of the membership on any question of importance on which quick action is required.

"In addition to different form letters, 'Greater New York,' our weekly publication, our Year Book, leaflet 'Things Done,' the 'Eligible Membership Directory,' a circular quoting city officials in praise of our work, and a leaflet containing commendatory press comments on our varied activities, are used to good advantage in maintaining and increasing the membership.

### Membership Arguments

As to the work of "soliciting" I might say, gentlemen, that we have changed our plan within the last six weeks, so that



the men seeking new membership have nothing to do with resignations or collections; we have a separate staff to handle that work—one man being engaged in calling on delinquents and looking after resignations, and two men devoting their time exclusively to sales work. Mr. Howard Strong, the Secretary of the Minneapolis Civic and Commerce Association, has this to say:

"It is difficult to criticise your paper on the Detroit method, because after all has been said and done, you 'sold the goods,' and that is the thing which all of us are seeking. I will, however, make a few comments which may be a bit suggestive. And yet while we all talk of 'selling the goods,' as a matter of fact the selling of memberships is quite a different proposition from the selling of the average commercial product. It is the business of the salesman to prove to the man to whom he is trying to sell that he is going to get something tangible out of the sale for himself. On the other hand, our answer to the man who asks: 'What am I going to get out of this?' is: 'If you are that sort, we don't want you in the organization; the question is: 'What can you put into it for your town?' Now, it is more difficult for a paid salesman to say to a prominent business man a thing of that kind than it is for another member to say it. A member can go to a business man and say: 'I am giving my time without cost, because I believe the organization is a good thing for our town. I believe you owe support to this organization and to the town, and if you are big and broadminded you will recognize that anything which means the development of our town means a return to us. It is up to you to come in, not for what you can get out of it, but for what you can put in, and show that you are broad enough to recognize that your own growth depends upon the growth of the town.' It is very easy for the business man to turn down a salesman whom he knows is paid for what he is doing, while it is hard for him to turn down a member who occupies the same relation to the community that he does, and who is giving his time because of his loyalty to his town.

"It is true that you got 1,200 members in eight months, and you had a new building with club facilities as the strongest basis of appeal. Your total cost was \$10,000. On the other hand, we got 700 members in less than six months at a cost of something less than \$1,000, and as a byproduct we gave a very considerable education in civic affairs to our members who were on our membership committee, which, in my mind, is an important consideration. Nevertheless, neither your figures nor ours are conclusive. The second, third and fourth years, I think, would tell the story more completely. It is quite possible that you can keep on getting members at a faster rate with your method than we can with our method, and I am not at all sure but that at the end of the four years you would show a record ahead of ours. In other words, it is difficult to judge on one year's record for either method. We have a new organization and have not exhausted our field, therefore, the number which we secured this year is perhaps larger than the number which can be secured within the next few years. You have a new club house, and this is a very strong basis of appeal. Neither of us is making a normal appeal. Three or four lean years would give a better comparison of methods than the comparison of a single fat year under the two methods.

"My general inclination is toward the joint plan which you suggest, that is, the plan by which you propose to send out members with your solicitors.



This enables the business man who is a member to put it up to a man who is a non-member on the basis of loyalty to his organization and town, and at the same time it gives him an opportunity to fall back upon the expert salesman who knows the game and who can give an answer to every conceivable objection. I am coming to the notion that this, perhaps, is the ultimate solution.

"I agree with you absolutely in the matter of delinquents. Except in unusual cases, members should not be asked to call upon delinquent members; that should be left for employees of the organization.

"To answer your questions specifically:

"1 and 2. We have two or three men on our staff who do some membership solicitation. These men, however, see a very small proportion of prospects and the work is only incidental to the work of the membership committee.

"3. The weakest point in the Detroit plan is the financial cost of securing new members. This is justified, however, if it can not be done for less. Another weakness may appear in the course of a few years if it is found that the members who were secured through 'salesmanship' do not retain their membership, as well as those who are 'sold' by members. This may or may not appear.

"4. I do not see any specific objections to the employment of membership solicitors, provided they work largely in conjunction with members.

"5. The strongest argument in favor of the plan is the fact that you got results, and that you can probably continue to get results, because your solicitors are absolutely under your control and can keep at work while members are attending to their own business.

Mr. Roland B. Woodward, the Secretary of the Rochester Chamber of Commerce, says:

"First. We do maintain a membership secretary. He has no assistants except what would be given to him in an organization like this at a time when a campaign is on. He is backed by a strong committee, the members of which he is supposed to get to work to aid him in every possible way.

"Second. Up to date, this work has not been satisfactory except in the campaigns that have been put on where the whole energies of the chamber have been turned to that end.

"Third. The danger of your program and policy is that it may after a time lead the membership to believe that they are not actively to do that work which is being so competently done by a staff of employees.

"Fourth. The greatest objection to membership solicitors is that they are likely to affect adversely the strong feeling of volunteer service, which is the best quality of many of our chambers.

"Fifth. The very best argument in favor of membership solicitors is that they give direction to and train the general membership to efficient selling.

"Your program has gone on so successfully that you must not be misled by its success and eliminate the many strong factors which your organization had at its service, namely, the inspiration of a new building, the best in the country; the inspiration of great industrial and mercantile growth in the city, and the combination of forces that had not hitherto worked together."

Mr. Munson Havens, the Secretary of the Cleveland Chamber of Commerce, says:—

"Were you to ask me, however, for a categorical answer to the question, 'Is the employment of solicitors practical?' I would hesitate. I believe there is no department of an organization more governed by conditions peculiar to it than that of membership, and incidentally, few chambers give the matter the consideration it, the 'business' side, should have.

"For small organizations I am opposed to the employment of solicitors, on the ground that the smaller the community the wider the personal acquaintance of the organization members and the better the esprit de corps obtainable through membership work by them rather than paid solicitors. The point of cost is also important with small chambers, as the number of new members each year is necessarily limited by the size of the city. The number, secured by solicitors, who could not otherwise be reached, would be too small to offset the expense of the soliciting department.

"I have that same opposition, though in a less degree, to the employment of solicitors by larger chambers. There must necessarily be a lessening of interest in the actual campaign for new members when that campaign is carried on by other than the membership itself, and sooner or later, perhaps when your solicitors have thoroughly canvassed the city, the loss of that feeling of personal responsibility may be felt. Perhaps I am much too conservative. Certainly there are at once two classes of chambers where solicitors may reasonably be employed, one, for example, the Merchants' Association of New York, where the size of the city puts a premium on the securing of members through personal acquaintance, and the other, chambers so long in existence that the city has been canvassed and recanvassed by the members themselves until the demand upon their time for such work is too great to be expected.

"Yet, as opposed to this latter situation, we have the example of Boston, where an enthusiastic membership committee has developed a new plan of a small central unit, each member of which attempts not only to secure new members by the regular methods of personal solicitation, but also to interest a 'sales force' of other members working for him (a plan which promises excellent results), and where no paid solicitors are employed.

"But what actually counts are results, and your corps of solicitors seems to be producing them. Besides your statement of a \$30,000 annual income secured at a cost of \$10,000, and in addition a lessening of loss through delinquent collections, theoretical arguments fall flat. Even though you were to accept the theory of possible danger in such a method over a longer period than you have employed it, your income would have been materially benefited through its adoption.

"Even considering that it is necessary to secure only four hundred members by our method to equal, in net income to the chamber one thousand secured by yours, and with the probability that your yearly total will in another year fall to that, there is left the gain through withdrawn resignations, through delinquent collections, and through the psychological factor of an annual addition of one thousand names to the roster. The results of your eight months' work present a very strong argument for the employment of paid solicitors.

"There is one other point which occurs to me, namely, the personality of the solicitors themselves. I can see where many attempts to increase membership would not only be fruitless in themselves, but would react against the organization because of the short-sighted economy of securing inexperienced and low-salaried salesmen.

"I think I have answered in a general way all of your questions, but for convenience will give them in order:



"1. The Cleveland Chamber does not employ paid solicitors. There is appointed annually a committee on membership admission, 25 to 35 members. One of the assistant secretaries gives about one-third of his time to membership work.

"2. Our method is moderately successful. Frankly, the chamber has reached a point where an increase in the annual number of new members is necessary, but it is my belief that the membership committee will decide to adapt the Boston system to our use rather than to employ solicitors.

"3. With your records of results it is hard to point to a weakness in the method. I have outlined my feelings regarding the method in general. In your case at least objection would have to be theoretical.

"4. The two greatest objections to the employment of solicitors are, to my mind, the loss of a feeling of personal responsibility on the part of the membership for the growth of the chamber, and the very great difficulty of securing solicitors who satisfactorily combine personality and efficiency.

The next letter is from Mr. James A. McKibben, the Secretary of the Boston Chamber of Commerce. Mr. McKibben says:

"1. Our plan seems to us to have been pretty successful, inasmuch as it has succeeded in building the membership of the chamber up from 2,693 in 1909 to 4,617, the present membership of the chamber. In fact, it would be entirely fair to say that it had succeeded in building up the membership from 1,464 to 4,617, because at the time when our committee on membership started on the work the combined membership of the Merchants' Association and of the former Chamber of Commerce (which was consolidated in 1909) was only 1,464.

"3, 4, 5. Every chamber or board of commerce has in its membership men who are more efficient salesmen, both because of greater ability as salesmen and because they make the approach from a very much better angle than any membership salesman you can hire at a salary. It ought to be possible to utilize this resource of the chamber, and not resort to paid solicitors. Besides, human nature is human nature, and it is never eliminated in a membership salesman or anybody else. If a man is selling books or goods or membership in an organization he would not be human if he did not strain a point to get results. If he does this by representations, which the organization would, if it knew all about them, perhaps not be quite willing to stand back of—and the paid membership solicitor is pretty likely to do this to some extent—the result is inevitable. You have a disgruntled, dissatisfied member whose only asset to the chamber is the annual dues which he pays, and you are likely not to continue getting that many years.

"We have recognized that danger in the work in Detroit, and not less frequently than twice a month, we invite all the new members to a luncheon conference, at which time the secretary, or some member of the chamber meets with them and tells them frankly just what we expect of them as new members, and what the work of the organization is, as well as what the working organization of the new members is expected to be.

"If, on the other hand, he is able to induce a man to join by his magnetism and his skill in presenting the case, that is pretty sure to be a temporary state of mind on the part of the man. And beyond all this, is not a man much more likely, with the presentation of the same arguments and facts, to agree to become a member of an organization if these arguments and facts are presented by a member of the organization who is giving his time purely as a



matter of public spirit than if they were presented by a man whom the man knows is paid to do so? And is he not much more likely to remain longer as a member of the organization?

"Our experience with membership committees has shown us that very frequently there is some weakness in their method of approach, because the membership committee goes out, and many of them do not present the argument at all. They merely say: "I say that the chamber of commerce is a good thing; now, take my word for it; sign your name on the dotted line, right there." "And they get the signature on the dotted line and away they go. Our experience is that our new members are better sold, and the proposition is explained more fully to a larger percentage of the new members secured by solicitors than is our chamber of commerce work explained by volunteer workers, going out as committees, although I don't for a minute want to belittle the work of membership committees.

"I congratulate you on the attractive statement of the case for the paid solicitor which you have made. It is interesting to note, however, that the cost of the 'increase in annual revenues to over \$30,000 was about \$10,000.' In other words, the paid solicitors did business at a cost of 33 per cent of the gross receipts."

### Minimum Results—Maximum Cost

I was only too glad to get a "rise" on that figure, because we purposely put the figure high. We have stated minimum results, so far as new members were concerned, and maximum cost, so far as expense was concerned, and we didn't take into account that the \$30,000 of new revenue was new revenue from dues only. We have an entrance fee in the Detroit Board of Commerce of \$25.00, and each one of the 1,200 new members secured since the first of January has been called upon to pay that \$25.00 entrance fee, and the dues besides, and we figured our cost on the percentage which it bears to the entrance fee.

This is what Mr. Will L. Finch, the editor of "Town Development," says:—

"Taking up your questions seriatim, and answering without very mature consideration, I should say that I see no points in the method employed by the Detroit Board of Commerce that could be classed as weak. Your most difficult task will be to get a sufficient continuity of service from your committees who are to go out with the solicitors to make it as efficient in practice as you would wish.

"Your second difficulty is to have these committees taken seriously.

"I have never been able to see any objection to employing membership solicitors by organizations having a sufficient membership, sufficient funds and sufficient efficiency to make a membership in the organization a salable quantity.

"Third. The argument in favor of their employment is first that a secretary should not be permitted to solicit memberships, because he is paid for doing a more important work. What is everybody's business is nobody's business, applies to this as well as to every other human endeavor. A member-

ship solicitor has a specific work to perform, and will give his entire time and thought to the work.

"Fourth. In this question you have stated the crux of the whole membership question. It is not likely that so long as the members of a commercial organization are human that that organization will ever sustain an increased membership year in and year out. Too much depends upon the personnel of the administration forces of the organization, and too much depends upon the inclination of men to be apathetic about everything except their business.

"No artificial means, even the employment of solicitors or the constant work of the membership committee will ever sustain the membership of an organization unless that organization is actually doing things and unless the membership is first made and then kept sufficiently appreciative, first, of the need of an organization, and second, of the necessity of the individual member giving of his time and service to the work of the organization.

"Inasmuch as I have been thinking and working for the last fourteen years on the questions you have raised, I feel that any reply I could make to your inquiries in the confines of a letter must be woefully inadequate. It is a tremendously big subject, and in fact is the very essence of commercial organization life."

Lucius E. Wilson, of the American City Bureau of New York City, says:

"After reading your statement there can be but one answer to the question—so far as it applies to the Detroit Board of Commerce. Facts indicate that the employment of solicitors has been successful. However, the plan is not safe for adoption in all cities. The Detroit Board of Commerce is an old, well established, respected organization with a magnificent club house. It has established "something" to sell to prospective members. Its position is almost unique among commercial bodies. I can not recall another commercial organization in the United States that possesses the same combination of civic activity, plus complete club accommodations. This is a sort of answer to question number one in your letter.

"Question number two says: 'What do you consider the greatest objection to employing membership solicitors?' The fundamental trouble with the plan is this: 'The solicitor does not have back of himself the tremendous influence of an aroused enthusiastic public opinion focused upon board of commerce enlargement during a specified time. In other words, the employment of membership solicitors who peg away throughout the year can not produce the results that are obtainable by a well-organized membership campaign. In your own case, seven hundred and twenty-five members came into the organization during the month of March. The warmth, enthusiasm and encouragement generated in that campaign disseminated itself through the business public of the city. It made boosters for the board of commerce. It put the organization definitely and persistently in the public eye. It laid the foundation for the success of your membership solicitors.' Another difficulty to overcome in the use of membership solicitors is the human problem of finding the right sort of men. I personally think the field representative of an organization like the board of commerce ought to be a highly trained man, competent to impress his personality on the biggest business men in the city. Such men are scarce and high priced. I don't believe that the production of a certain number of new membership applications is in itself a sufficient justification of the employment of a solicitor. I would want to know



just the impression he left among the men whom he failed to sign as well as among those he landed.

"Question number three asks: 'What do you consider the best argument in favor of their employment?' Their use as collateral to the general rehabilitation campaign is the best argument for them. In a city of the size of Detroit it is always necessary to have some man or men as membership secretaries who will adjust threatened resignations and other misunderstandings with members.

"The fourth question, 'What plan would you suggest that a commercial organization should pursue in sustaining and increasing its membership year in and year out?' demands a book on the subject of managing chambers of commerce. From me it would bring forth a 'dream' that I am entertaining. Some day it is going to be realized. It will be a chamber of commerce that will so completely serve the needs of the community that normal-minded men will support it as naturally as they do their own families. To that end chambers of commerce must (a) At regular intervals make big plans that will require the cooperation of the whole city.

"(b)—Through a medium of a well-organized campaign focus the city's attention upon one plan in such a way that it will lead to accomplishments.

"(c)—Not depend upon the secretary and his assistants to perform extraordinary or unusual tasks, but to employ expert outside assistance to carry through big movements like charter reform, charitable and philanthropic movements in connection with the business public, industrial or commercial surveys, municipal research, city planning movements, vocational education, together with the articulation of the employer and the employe, etc. The secretary would, under this arrangement, be the administrative head of the great organization that would determine the order in which large public movements would be presented to the city. He would tell whether municipal research should precede an attempt at charter reform, etc. He would dictate the order of community procedure. In short, he would be a man of supreme influence in the community instead of being a clerk. When this conception of community leadership finds its way into the minds of secretaries and directors of chambers of commerce, they will have advanced to a point where they can justly claim that the management of a commercial organization is a profession and a science.

C. S. Whittier, Membership Secretary of the Boston Chamber of Commerce, says:—

"All of our bills go out on January 1, so that is the natural starting time for the new committee. It has been the usual custom to begin with a small number of men, some of whom are brought over from the committee of the year before, and the first few meetings are intended to be almost wholly of an educational nature. Some of the officers or directors meet with the committee, tell them what the chamber has done in the past year or two, why it took such and such a stand on important matters, and answer all questions which occur to the new members. This is continued frequently throughout the year.

"Furthermore, I have plotted curves, showing the progress of our membership work since 1909, the comparative number of new members, comparative number of resignations each year, etc. All of this preliminary work is just what you would do if you were in the manufacturing business and were putting a new crew of salesmen on the road. You probably would take them to the factory, show them just how the product is made, just why certain



policies have been adopted, tell them how much business you must do in a year, and give them each their quota.

"A word or two about the committee itself. We have been very careful in the selection of the chairman. We have had the cashier of one of the largest banks in New England, the vice-president of one of our large public service corporations; a very prominent lawyer; two prominent insurance men, who were great personal producers, and the sales manager of the second largest bakers' supply house in the United States. Each of these chairmen has been a most excellent salesman himself and has been able to 'drive' the other members of the committee, who also have been salesmen, primarily.

"There are three things which the committee can do. First, get new members; second, bring back members who have resigned; third, in a very quiet and careful way help the membership secretary in collecting unpaid dues. The including of these last two functions in a statement of a membership committee's work may, of course, be open to argument. Often the best salesman loses his enthusiasm when he is continually running up against 'grouches' and dissatisfied customers. Therefore, we have been careful not to ask some members of the committee to handle resignations. We have to be still more careful in the case of unpaid dues. Only where a committeeman knows the delinquent very well and would have more influence with him do we ever ask his help.

"An effort is made to keep the committee stirred up by contests among themselves, and new additions are made throughout the first year as new members develop an interest in the membership work, so that when fall comes we have a fairly large committee, all of whom are well grounded in the principles and work of the chamber and ready for a quiet and persistent extra spirit at the end of its year's work. For this the secretary has prepared the usual prospect list, while the committee has suggested and planned the necessary literature and follow-up letters.

"It has always seemed to us that where such a committee was in the field the secretary should do as little personal solicitation as possible. If a good prospect is turned in it is very easy to find someone who knows him or whose place of business is near him. This prospect feels that the chamber has a greater personal interest in him if a member gives up his time to talk things over with him. In the case of resignations, however, the secretary oftentimes is in a better position to look up the trouble or to present different points of view to the resigning member, and in the case of unpaid dues, takes almost complete charge of the work with the assistance of the cashier in the treasurer's office. Speaking in general terms, our resignations are handled by the committee and Secretary jointly, and the unpaid dues almost entirely by the Secretary.

James Reilly, Secretary of the Newark, New Jersey, Board of Trade, objects to the employment of membership solicitors on the ground that it has a tendency to take away from the prestige and commercialize the value of membership and impairs the standard of a commercial organization. He states:

"Our board of directors maintain a standard by restricting membership so that when a man is invited to become a member he feels that an honor has been conferred."

That sounds like a "silk stocking" organization. Mr. C.

R. Green, of the Hamilton, Ohio, Chamber of Commerce, believed that new members should be secured through the work of the membership committee, working once or twice a year in short, snappy campaigns.

Through an experience of several campaigns conducted in Binghamton and Detroit, I found that when the campaign was over there were a great many business men who had been called on by the membership committee, and while these men were in a favorable frame of mind towards the chamber of commerce they did not sign applications. I never found a membership committee that was willing to take care of this follow-up work after the close of the campaign, and it is my experience that some paid member of the staff of a commercial organization should be definitely assigned to the work of following up the work of the campaign committee that was left only half finished.

Mr. F. G. Morley, Secretary of the Toronto Board of Trade, answering the question as to the best method of sustaining and increasing membership, writes:

"I know of no better plan of sustaining and increasing the membership than the one you have adopted in Detroit, viz., giving members semi-club privileges. This board has adopted the plan and we hope to get into our new quarters by January 1. I might add that since our intentions were announced new applications to the number of 150 have been sent in practically unsolicited, and I feel sure that when our membership committee opens a short campaign in November we will likely get more members than we require and open a waiting list."

J. Will Kelly, Secretary of the Commercial Club of Topeka, Kansas, makes a criticism on the employment of membership solicitors that represents the views of many of those who wrote letters in answer to my baby "questionnaire."

"The greatest objection that I feel could be offered against it, is the fact that people would be inclined to say that your soliciting committee or soliciting secretary was working entirely for his salary and that about all the commercial club was doing was raising money to pay its officers. This objection, I know, is offered against a secretary who makes any personal efforts to collect dues."

For several years I entertained the same feeling, but I never yet have had any experience to justify the feeling. I have talked personally with many of the new members secured by our solicitors. I have talked confidentially with them, trying to secure criticism from them in regard to the method employed. I have also had men follow up and call upon some of

the prospects against whom unfavorable reports had been turned in by our solicitors, and every man has looked upon our solicitors with the same respect that he would receive and listen to and give an order to the credited salesmen and representatives of any commercial organization approaching him with some article for sale. In Detroit, at least, I am absolutely satisfied that the business men look upon the employment of membership solicitors as a perfectly logical thing for the Detroit Board of Commerce to have.

All of our business men recognize that it costs something to secure business, and they recognize that it will necessarily cost the Detroit Board of Commerce something to secure new members.

Particularly in the smaller communities I believe that the secretary who is master of his job gives more to the community than he is paid, and that no man need be ashamed, apologize, or be over-conscious in his dealings with members because of the fact that he is on the payroll of a commercial organization.

A great many secretaries will sympathize with Mr. F. N. Yorston, Secretary of the New Brunswick, N. J., Board of Trade, who says:

"Will answer your first four questions by stating that we do not maintain any membership solicitors outside of the membership committee, which committee has never been of any real value along these lines."

Mr. Thorndike Deland, the Secretary of the Denver Chamber of Commerce, makes a significant comment, saying:

"I am in favor of the employment of men on the staff of a commercial organization to look after the membership, as this is just as necessary as a sales force in connection with any business establishment and the chamber of commerce should be the model institution of the city."

E. M. Clendening, the General Secretary of the Kansas City Commercial Club, writes that not long ago he made a strong recommendation to his directors for the employment of a membership clerk at a regular salary, not for the purpose of doing away with the membership committee, but to utilize him in certain office work connected with membership. He desired a man of good address so that he could be sent out to visit concerns when they located and thus pave the way for the membership committee. He states that he has been successful in having his recommendation adopted. He believes that in cities of over 150,000 commercial organizations could well afford to



employ one, and perhaps more, membership clerks who could be made use of in a good many ways.

I like the idea of H. L. Lewis, the General Secretary of the Indianapolis Chamber of Commerce, who suggests the following as the best plan for sustaining and increasing the membership of a commercial organization. He says:

"I can hardly recommend any plan for keeping and increasing the membership of a commercial organization that will make a membership solicitor of every member of the organization. With every member in the roll of a solicitor, satisfactory results are sure to follow."

On this subject Daniel Casey, the Secretary of the Haverhill, Mass., Board of Trade, says:

"Moses, Methuselah and Napoleon, with Caesar and Cleopatra thrown in for good weight, do not, I will bet a half shilling, know that is the best plan for sustaining and increasing membership."

Mr. Casey clinches the argument in favor of membership solicitors with the following:

"You are probably aware that some organizations are criticised because they devote considerable time to membership work, and the statement is made that they should lend their time to other channels. A professional solicitor would eliminate such criticism."

### Judgment of Smaller Cities

Mr. J. R. Babcock, of the Dallas Chamber of Commerce, writes:

My experience is that the best solicitor a commercial organization can send out is the boss man himself. I believe that the secretary can have better success than a committee, and am very sure that he can have better success than any other man in the office force.

"However, as it is impractical for the secretary to spend his time soliciting and handle the work in the office, it becomes necessary to delegate his authority to others, either to the membership committee, or to a paid man on the staff. Between these two methods, as a general proposition, I believe the better result can be obtained from sending a man from the staff provided the man sent is in close touch with the work of the organization.

"This latter requirement, in my opinion, can not hold where a regular solicitor is put on. The greatest objection to employing a regular membership solicitor is that he, of course, can not be in as close touch with the work of the organization as is some man who spends the larger part of his time in the office and is close up to the head man.

"In a wholesale house a traveling salesman needs to know his goods. He needs to know something of the general policy of the house, but this does not change from time to time; at any rate, the changes are not great. On the other hand, the man who goes out to sell a membership in the chamber of commerce has nothing to offer in direct return for the prospective member, and can only sell that member a patriotic interest in the growth and prosperity of the town, and at best only a limited amount of direct service. As

this amount of direct service will vary with each individual member, it is essential that the membership solicitor shall know with a fair degree of accuracy what the policy of the head or secretary of the organization will be towards this prospect after he becomes a member.

"For these reasons it is next to impossible for a paid solicitor to secure members on the right basis unless he be very closely associated with the head of the organization and in close touch with the policies of the organization. We have sent out paid solicitors, had one man employed for six months, who has been president of the old commercial club some fifteen or twenty years ago. During the first few weeks he brought in good results from soliciting among his friends of former years. After this limited field was worked he was able to do practically nothing in the way of securing new members.

"We have also tried the membership solicitation plan of having large committees with a great deal of enthusiasm, and while we secured a great many new members during these campaigns, have found that the percentage of holdovers was very small compared with the members that have been secured by the secretary direct or one of his men in close touch with the work of the organization."

Mr. W. T. Corwith, Business Secretary of the Lynchburg Chamber of Commerce, says:

"The chief danger is that an over-enthusiastic solicitor who desires to make a good showing will be tempted to overwork the local material, and in order to get them to sign up will hold out inducements which are not based upon a sound footing. The members secured in this way are sure to make trouble later on."

We in Detroit had our membership solicitors work from a very carefully compiled list of prospects. Morning conferences are held between the secretary and the solicitors, and instructions are given in reference to the method of approach which solicitors are to make to certain prospects with whom the secretary is acquainted.

The solicitors make individual reports verbally at these morning conferences in reference to the talks which they have had with each man whose application they secure, and also with each man whose application they fail to secure. In this way we keep very closely in touch with the sales arguments being used, and do not allow solicitors to hold out inducements not approved by the secretary.

We have another check on this by holding two or three times a month conferences between the secretary and new members whose applications have been secured by the membership men, and then there is a frank talk between the secretary or other officers of the board with these men in regard to their relationship to the working part of the board. They are told what they can expect and what they can not expect. If there

are any cases where the solicitors have made any promises whatever, we endeavor to draw this out from the new members at these conferences, and we have not as yet found any instance in which we have been able to criticise the salesmen for the arguments they have used.

When we first organized the work of our membership solicitors we had them devote a certain portion of their time to collecting dues and calling upon members who had resigned. Very quickly we had to abandon this, as we found it greatly reduced the efficiency of the salesmen in securing new members. We then took one of the salesmen who had shown the greatest ability in handling collections and resignations and assigned him exclusively to this work. This proved to be an improvement over the old plan, but was not entirely satisfactory, because in our morning membership conferences we found the salesmen not particularly interested in the reports and discussions between the secretary and these collectors. Recently we have entirely divorced the two, and the solicitors devote their time exclusively to securing new members, and their department is entirely distinct from the department handling collections and resignations. Our experience in this respect is the same as that of the Merchants' Association of New York and the Association of Commerce of Chicago.

### When Do Solicitors Pay?

How large a city has to be to make the employment of membership solicitors profitable for a commercial organization is a problem I have considered in connection with this question. Kalamazoo, a city having from 40,000 to 50,000 population, made a three months' experiment with the employment of membership solicitors and found it successful. They were particularly fortunate in getting a man especially qualified for this kind of work, but were unable to hold him. Their experience covered too short a period to justify any conclusions.

Any secretary in considering the application of this method in a city under 100,000 could determine for the purposes of experiment whether it would be likely to be worth while or not by carefully preparing a list of the membership prospects in the city and studying the rate of growth. With this knowledge a secretary can estimate the percentage of sales that could be made if the commercial organization's message could really



be delivered to each of these men. It is possible for a man to interview from five to fifteen men a day, out of which a good salesman should be able to secure from one to three applications. Any salesman who consistently secures one new membership a day at \$25 per year is doing good work. Sometimes they average better than this. In the summer months it is not possible to do as well. With this knowledge it is not difficult to determine whether or not it would be possible to keep one man occupied on this work on a paying basis for one year.

In Detroit we started out with a list of about 6,000 reasonably promising prospects, in addition to which some 3,000 inhabitants are being added to the population of Detroit each month. The Detroit Board of Commerce already has a membership which constitutes a little better than one-half of one percent of the city's population. Therefore, out of 3,000 new people added to the population each month, we ought to secure over fifteen new members. With these figures in mind, it was not difficult for us to determine that we could keep from two to five men engaged in this work the year round with profit to the organization. The same reasoning can be applied to any city, no matter what its population.

Now the question put up to me was this: "Is the employment of membership solicitors practical?" I just want to tell you what my conclusions have been after our one year's experience in Detroit, and with the light of these different sides of the proposition laid before me by other secretaries, as they are now laid before you. As I have said, we don't consider that question the most important question. The question that we are really trying to answer in Detroit is: "What is the best method of maintaining and increasing our membership?" But answering just the question asked specifically, I am strongly of the opinion that the employment of membership solicitors is practical in the larger cities of the country. One objection has been raised by a number of secretaries, and that objection is, that they thought the cost too expensive. Again, I would like to emphasize my belief that salaries paid to membership solicitors and to membership secretaries should not be considered as an expense, but as an investment from which definite results in proportion to the investment are expected; and when the results do not justify the expenditure the trouble is with the men and the management and not with the idea. We did not

consider the matter of expense in Detroit. We didn't charge up that ten thousand dollars to expense. It was an investment, to be judged entirely by the results produced. It has not been a liability to our organization—it has not been an expense; it has been a source of income; without it we could not have succeeded this year in our annual program.

### Solicitors or Campaigns—Which?

Now, I do believe in membership committees; I do believe in the value of volunteer effort; I do believe in campaigns. I feel certain that the employment of membership solicitors alone is not the best method of maintaining and increasing the membership of a commercial organization. What we are seeking in Detroit and what we hope to be able to answer during the coming year is the best method of combining the work of membership solicitors with volunteer effort sustained throughout the year and culminating in a membership campaign either at the end or at the beginning of each new fiscal year. And that is the conclusion that I have tentatively reached in regard to this question—that the next method is one that will some day be followed by membership departments of commercial organizations, and that will combine the use of membership solicitors with the volunteer efforts of a membership committee, and the enthusiasm and spirit engendered by an annual campaign. I thought you might be interested in knowing the conclusion that I have personally reached on the subject.

## Membership Development and Maintenance

By G. W. LEMON

Membership, to quote from a letter I recently received from one of the older secretaries, is the "veritable foundation stone of every commercial organization and how to build it up and how to maintain it, so that the organization shall have the three essentials that every organization must have, is the question. These *three essentials*, as I need hardly remind the trained secretary, are: *Numerical strength, adequate financial resources and personal service.* To these three some associations have aimed to add a fourth, *democracy.*"

Leaving entirely out of account any consideration of mem-

bership campaigns conducted by local or professional workers—I shall treat my subject under two heads:

(1) How shall we secure members all the time—membership development?

(2) How shall we retain them once you have got them—membership maintenance?

I do not flatter myself that anything I shall say will be of the slightest value to executives who represent the large organizations in our great cities. My point of view is frankly that of a man of somewhat limited experience who has spent the major part of his secretarial life trying to serve the small city organization.

How membership is to be built up—that is our first question. Securing members during a well-advertised “revival” campaign is not much of a job. The enthusiasm of the “teams” is contagious. The band wagon looks a lot more cheerful and inviting to the average citizen than the secluded corner and consequently scores of men join the know not *what*, for reasons they *could not tell*. And there you have your first big problem—the uneducated member. What an army they would make if we could only “draft” them out of our several organizations. And if some genius should succeed in “mobilizing” them I will give you one guess as to where the average secretary would assign them for duty—in these stirring times. Camp or cantonment would not have them very long, I venture to say.

### Converting the Unregenerate

These men who do not know the first rudiments of modern commercial organization work; who do not understand the difference between a trade organization and one which seeks to serve the community; these men have bought and paid for something—your membership—and they demand value received. How are you going to give it to them?

“Do something—get busy—put something over for the town,”—that is what the average secretary will tell me. It is the stock advice. And it is good so far as it goes—but it does not go far enough. Unless this man is shown—is “converted” if you will—unless you can broaden his vision to include the other fellow—all the “things-done-for-our-town” stuff, will not count with him one iota.

“But why bother with him,” another secretary admonishes.



(He is the secretary who is always seeking the easy way out.)  
“Let him go and bend all your efforts upon getting in new members who will more than make up for this croaker.”

Ah, there's the rub! Getting new members so long as those unregenerate fellows are knocking you is some task—is not that true? They are undermining your organization. They are helping create an atmosphere of captious criticism. Membership development depends, in the first place, upon good will; your croaking member is a source of ill-will, of disaffection. Convert him at all costs! How? Well, try getting him to work. Some one has said: “If you want to make a man like you, get him to do something for you.” Certain it is that no man is a real member of the chamber of commerce until he has performed for it some deed of useful service.

### The Next Step

Having tried to create an atmosphere of good will and understanding so that the organization's attempts to accomplish things shall not be discounted at the outset by ignorant antagonism—having cleared the ground, what is the next step?

The next step, I believe, is to make *big* plans for your city and your organization. Let your young men dream dreams and your old men see visions of the city of their desire. Most men like to be connected with something big and worth while, not to say heroic. May I illustrate what I mean?

A wealthy manufacturer was approached by the secretary of a worthy philanthropic agency which was in need of funds for a piece of definite and much-needed work. The caller asked the rich man for \$200.

“No,” said the manufacturer. “I am not interested.” The social worker was nonplused for this man had been one of his chief patrons and he began mildly to expostulate.

“What will that building you are planning cost?” the manufacturer suddenly asked.

“Five thousand dollars.”

“What nonsense—to build a shack that will have to be torn down in a few years. Now look here—you go to your board and tell them to put \$50,000 in their budget for that building—and I'll send you a check for half that amount. But you'll get none of my money for a poor, little measly proposition such as you put up to me when you came in.”

If you have a broad program—a strong platform—and are offering opportunity for individual effort, the men of your community, who are not members of your organization, will want to come in. We must make our organizations the center of life and activity in our respective cities. If our commercial organization is alive and active we need not fear the formation of duplicating organizations such as manufacturers' associations, retail and wholesale associations, traffic clubs, builders' exchanges, etc.; organizations which would distract the attention of our members, taking both their money and interest. Anticipate the need for such organizations, wherever possible, and provide them *within*, or at least in *association with*, the chamber of commerce.

### Some Methods

The various methods of securing members are so well known that I doubt if much that is new can be advanced. Securing members by "revival" campaigns, by paid solicitors, membership committees, etc.,—these things have been presented before and threshed out at our conventions. But accepting the dictum that "men need not so much to be instructed as to be reminded," let us briefly review and examine some of the methods in vogue.

In the case of organizations in cities from 50,000 to 125,000 where an assistant secretary is employed, I believe he is usually entrusted with the task of securing new members. As a rule the assistant secretary works with the bookkeeper on "prospective members." A duplicate or triplicate file is made and, when ready, the membership committee is called and the list very carefully gone over. Dave Dickinson's name is given to committeeman John Woolman but (one or two) copies of the card remain in the office to show what disposition has been made of the prospective member. The assistant secretary makes daily calls in the morning or afternoon for an hour or two either by himself or with a member of his committee. If the "right man" to reach Dave Dickinson is not on the membership committee, then some one else is drafted—may be an officer or director or the secretary. Some secretaries in the smaller organizations have, I fear, the wrong idea about personal solicitation of members. I have heard men remark that it wasn't dignified for a secretary to solicit members or go out and try to convert a re-

calcitrant member. I cannot agree! When occasion demands I believe that the secretary ought to jump right in and do his bit for membership, not tying himself up with the details, but ready to help out upon extraordinary occasions.

From this survey one may deduce the following: Gathering all of the membership committee activities or "stunts" into one compact whole it is found that our composite membership committee will meet at regular intervals, generally at luncheon; that it will receive and exchange membership prospects and swap experiences; that it will discuss new methods of reaching "hard ones;" that it will plan new arguments and improve old ones and go at it again with renewed vigor.

It has been found wise to occasionally limber up the oratorical guns and have membership luncheons or dinners. Bringing a fellow secretary to speak works out finely if the said fellow secretary is tactful, forceful, and above all, brief. I will venture to say this: That the average business man will not listen intently to any address for more than 30 minutes. Many a fine occasion has been killed by talk. Always choose an athletic toastmaster—with more physique than eloquence—who can be trusted to keep every speaker strictly to the time limit. It is a good plan to put forth a little evangelistic effort at every public meeting. Extending the invitation to join will seldom result in a zero mark on your membership book, granted that your members have formed a commendable habit of bringing a friend or associate to every social event of the organization.

But we must press on to the second part of the subject: *How to Keep Members When You Once Have Them—Membership Maintenance.*

Membership lapses may safely be taken as the pulse of the organization. A certain shrinkage is inevitable, but when the rate is seen to be increasing it is time to stop, look and listen; it is time to subject the organization to a searching enquiry and to seek for the disease of which the resignations and withdrawals are merely a visible manifestation.

### Recapitulation

To recapitulate. The problem has been divided into two parts. In the first part *building up the membership* is dealt with under the following heads:



- (1) Converting the unregenerate member.
- (2) Planning big things for the organization and city.
- (3) Various methods of handling membership work; (a) Paid solicitors, (b) Standing and special committees, (c) Secretary and assistant secretary.

In discussing the second part of the problem, *how to keep members when once you have secured them*, the following points are emphasized:

- (1) Make the organization truly democratic.
- (2) Work constantly to increase man power.
- (3) Do not allow your board to usurp the functions of the committees.
- (4) Stick to the primary purpose of a house organ.
- (5) And most important of all, set your members to work.

## Elements of Membership Conservation

By ROBERT B. BEACH

What is the weak spot in your chamber of commerce? I am leading off with a frank question. Having the first opportunity to answer, I will give an equally frank reply. The weak spot is the membership. You may disagree with me. It is my guess that you do. It is also my guess that I am right.

There is no more important problem that comes to any of us than what we are pleased to call membership conservation. The resources, the man-power and the success of every chamber of commerce are bound up in it.

There are just two reasons why most of us fail to give membership conservation the attention it deserves. One reason is because it is in fact—though not in importance—a secondary matter.

The first proposition is to build a chamber that is alive and on the job and does things. If that is done the membership will conserve itself. The other reason is that the problem of membership conservation is exceedingly difficult. It is a whole lot easier to evade the issue than it is to meet it. It sometimes happens that secretaries, like other physical phenomena, follow the course of least resistance. The selling of an association to its membership is a most undeveloped and under-rated science.

Wastage in this department represents a loss of energy that would wreck any ordinary business enterprise.

Usually the so-called normal losses are too high and the reason they are too high is that a disproportionately large amount of effort to bringing a man into the chamber is made and a disproportionately small amount of effort to holding him there when he is secured.

It is good to get members, but it is better to keep them. The getting of members is accomplished by effective salesmanship; the keeping of members is accomplished by delivering the goods and just a little more.

### Why Members Resign

Why do your members resign? Did you ever catalog the reasons? 1. Because they get nothing out of it. 2. Because they cannot attend meetings. 3. Because they haven't time to be active. 4. Because they are not interested. 5. Because they have a grievance. 6. Because they object to action taken. 7. Because they cannot afford it.

Put all these reasons together and they reduce to one that contains them all: "I am out of touch with the chamber and the chamber is out of touch with me."

That accounts for the grievance, and even for the "cannot afford." Because men forget grievances when they are in touch and they *can* afford the things they really want.

Suppose for a moment we review the situation positively instead of negatively. Why do members retain their memberships? What are the particular features of the chamber's activities that hold a member to the organization? There are five:

1. *Achievements*—The big things you are doing. A certain part of your membership is content to forget the other things, expecting no individual benefits, seeking no individual activity. These members are willing to give financial support as long as they are persuaded that good work is being done in their behalf.

2. *Service*—The direct aid you give to your members. To some this is the real basis of membership. They are not the altruists of your enrollment, they are practical men inclined to measure the value of the chamber by the frequency they have

occasion to make demands upon it and the promptness and liberality of the response.

3. *Meetings*—Source of inspiration and acquaintance. To not a few, meetings *are* the association. Other benefits may be intangible, but the meetings are real. Personal contact creates personal interest, the root of membership stability.

4. *Activity*—A personal part in the work of the chamber. There is no need to sell the chamber to the active worker. He measures the value of the chamber's work by the work he himself puts into it. As long as he labors for the joy of doing and feels that his labors are productive, you can put him down as a man who himself is thoroughly sold and who in turn will sell others.

5. *Contact with the chamber*. Not all the members can be employed at one time. Not all can or will attend meetings. But there are other points of contact. Those members who cannot or do not share personally in the day-to-day activities, are called upon for advice; they are given special assignments; they are kept informed; they are made to feel that they are necessary to the chamber. So long as that feeling continues, they are fixtures. So soon as that feeling ceases they become floaters and are in danger of drifting away.

### How Members Are Retained

Using these five principles as a basis for our deductions, the elements of membership conservation may be expressed very simply in this way:

1. Keeping your members informed. 2. Keeping your members satisfied. 3. Keeping your members interested. 4. Keeping your members busy. 5. Keeping your members in touch.

Membership conservation is an idle occupation unless there is back of it an effective organization and real achievements. We are assuming, not unreasonably, that each of our chambers is well organized, well managed—we admit that—and is performing a worth-while service in the worth-while way.

Let us imagine that you, in the spirit of candid exploration, are making a little journey into the life of a comparatively inactive member. At the outset—for all members must begin—you are urged very strenuously to join the chamber. You are flooded with letters, pamphlets, and a variety of printed appeals. You are beset with telephone calls and personal in-



interviews. You sign up. Suddenly this vast interest ceases. You are notified of your election by a stereotype form. At regular intervals you receive bills for dues.

You receive printed notices of meetings, which—since you are not in the habit of attending—are glanced at and laid aside. You receive copies of bulletins, the contents of which you soon take for granted and “approve without reading.” You receive an invitation to the annual banquet, which, because it is somewhat out of the ordinary, you accept. You put on your dinner coat and go. You are greeted at the door by a reception committee, whose cordiality is vigorous but impersonal. You find that most of the people you know have table parties of their own and you are turned over to a group which with every intent of being sociable still has interests that concern themselves more than they concern you.

When you receive notice of the annual election you refrain quite properly from voting because it is more or less of a formality and the result a foregone conclusion. When you see the chamber mentioned in the morning paper you are reminded not unpleasantly that you are connected with it. You have never had an impelling desire to sacrifice time and effort and are reasonably complacent in being let alone in the matter of committee service. You have a vague idea that there are a lot of young fellows who do the running about because they like that sort of thing.

Occasionally you get a request by form letter to go out and get a new member. You mentally resolve you will comply when favorable occasion offers. The occasion does not happen along and the matter slips your mind. You are not displeased or dissatisfied. Probably you are happy that the chamber makes such slight demands upon you. You had apprehended that it would be more exacting.

Sometimes there come to you matters of public moment that are not as they should be. You wonder why somebody doesn't do something. Perhaps you wonder why the chamber doesn't do something. It may be that you are impelled to offer a suggestion which you forward by letter. In a few days you receive a profuse note of thanks from the secretary, who is doing his blessed best to be appreciative. The suggestion he tells you has been referred to a committee for consideration. Time slips by. You forget about it. So apparently does the

chamber. You take all this as a matter of course. You go on paying your dues. You are a member in good standing. Everyone is content.

### The Unknown Member

Here is a member who, so far as your records may show, is as good as the best on your books, yet who unbeknown to you and unbeknown to himself, is in a dangerous condition. If exposed to the contagion of discontent he would quickly contract the disease. He is an element of weakness, not a source of strength.

This member is summoned by the president of the chamber to serve on a committee that is to receive a distinguished guest of the city. The secretary drops him a line, tipping off a business deal that he may be interested in following up. He is invited—and responds—to an invitation to “sit in” with the board of directors at a conference that has to do with the chamber’s program of work, and he comes away feeling that he has had a glimpse of the inner works. A member of the booster committee calls him on the ’phone and gets him to bring a mutual acquaintance to mid-week luncheon. He finds springing up within him a desire to have more to do with the chamber of commerce and its activities.

How can you make the individual member an inseparable part of the chamber and its work? The answer is—repeating what we have called the elements of membership conservation—by keeping him informed, satisfied, interested, busy, in touch. But how keep him informed? How keep him satisfied? How keep him interested? How keep him busy? How keep him in touch? By studying every possible point of contact. By choosing those which seem practical. By laying out a program—which we may dignify by calling a program of membership conservation—and making that program the basis of your relationship with your members.

I do not maintain that one program will meet the needs of all chambers. I am inclined to believe that one program will meet the needs of but one chamber. In no two particular organizations are conditions just alike, but I do believe that the same principles, if sound, will work under all conditions and that a program can and must be developed for every chamber that will demonstrate its value by the acid test of dependable results.

Consider for a moment the possible ways of keeping in touch with the member. By meeting him—the most desirable form of contact. By telephoning him—possibly next best to seeing him. By letter—personal, of course. By printed communication, impersonal, but direct. By general printed matter—bulletins and the like. Through the press. And in the mass, through group meetings large and small.

Observe, there are various avenues. Answer for yourself the question how many avenues are you employing. How effectively are you using them? As a matter of fact you could take almost any one of these means—letter writing for example—and so develop it that it would accomplish all five of the elements of membership conservation.

### Program of Membership Conservation

#### I. *Signing the Member.*

- a. Selling campaign based on service of chamber to community.
- b. "Why you should be a member," printed, helpful to the man who sells and the man who signs.
- c. Send him between time of application and his election the graphic story of the chamber—what it is, how it works, told in charts—something he will observe because it is different and will understand because it is clear.

#### II. *Introduction to Chamber.*

- a. Three letters following election: One from secretary, one from chairman of membership committee, one from president.
- b. Definite appointment to visit headquarters—not an indefinite "sometime." Appointments may be grouped.
- c. Luncheon appointment at meeting of chamber with representatives of personnel committee.
- d. Personnel record indicating what he is interested in and what he is qualified for based on interview above.
- e. New members' conference, arranged when ten or a dozen new members can be brought together with a few old-timers and members of the board. A business meeting to discuss chamber activities and generate ideas.



### III. *Keeping Him Active.*

- a. Personnel record should be supplemented with service record. The two may be combined. Service record keyed, so that committee assignments can be made with the view to giving the largest number an opportunity to work.
- b. Special assignments—a variety of “small” jobs—distributed as widely as consistent.
- c. Record of attendance with a round-up of absentees, say four times a year (or oftener if you like) with a personal reminder, not of their non-attendance, but of the particular reason why they are wanted at a particular time.

### IV. *Information.*

- a. A monthly news-letter—not the usual bulletin—something different—an intimate letter concerned solely with the chamber, but with the brevity and directness of news. Four pages, no more. Need not conflict with the weekly or monthly journal if the chamber prints one.
- b. At convenient and rather frequent periods devote five minutes of a general meeting to the report by a competent speaker of some specific achievement, coupled with message from membership committee.
- c. After completed tasks, a letter to those particularly interested both on membership list and permanent prospect list.
- d. Also the usual publicity channels, including the press.

### V. *Consultation.*

- a. Periodic membership conferences—limited groups, general in character; discussion of current and proposed activities with well-informed discussion leaders. Such conferences may well have the definite purpose of contributing to the general program of the chamber.
- b. A systematic plan of writing to members for expressions of opinion, advice, suggestions. Some of these expressions may be published to advantage as interviews.

- c. An annual or biennial referendum—chamber activities—not recommended in all cases, but highly advantageous in some.
- d. Sub-committees of personnel committee, who will sit down at frequent intervals in groups of two or three with members who have “ideas.” Never regard ideas lightly—something may occasionally come of them.

## VI. *Service.*

- a. Determine by record what portion of membership fails to use various services which chamber performs. Regard these as “service prospects” and organize a mildly insistent campaign (correspondence probably) to get them coming to the chamber for what it can give.
- b. Business “tips” to members—advance information they use to advantage—is outstanding evidence that the chamber is on the job.
- c. Advertise “privileges of membership,” referring primarily to service. The reaction on the secretary is good; it may lead to improving facilities for service.

## VII. *Terminations.*

- a. A resignation card so devised that you will have an absolute record of the effort made to reinstate, together with reasons and dates—the basis of effective follow-up. Accept no resignation without a complete record that shows justifiable cause or a hopeless case.
- b. Where the cause might have been corrected, take precautions against a “next time,” and thus profit by your loss.
- c. The only termination that the secretary may regard as fully justifiable is termination by death. A member who dies in good standing has given to his chamber the “last full measure of devotion” and is entitled to a becoming obituary.

There, gentlemen, is *a* program. Not necessarily a program for you; not necessarily a program for me. Nevertheless a program which will get results.

## Membership Methods in Small Organizations

By J. P. HARDY

Second cousin to the financial nightmare of the chamber of the small city is the difficulty of interesting and getting the active cooperation of its members. Many of the causes that make financial problems difficult of solution are responsible for this difficulty also. The manager of the branch office, whose real interest lies many miles away in the home office, is usually a difficult subject; he is a salaried employee and owes his duty, and too often only duty, to the corporation which pays his salary. He probably joins the organization as a member and when his dues are paid is satisfied that he has done his full duty—nor is he alone in this respect in a small city. The average business man—having so much detail to attend to in his own affairs—finds little or no time to devote to the affairs of the community; that is to say, the real big men in small communities are very apt to limit their support of the chamber to the payment of dues.

In response, however, to the question, "What do you regard as your most difficult task?" six cities say, "Getting successful committee meetings," seven say, "Keeping members interested," one says, "Keeping retailers interested," two say, "Satisfying the knocker." This I submit as evidence of abundant lack of cooperation and, therefore, of personal service.

Some of the answers to my inquiry throw, I think, some light on this matter of personal service. There is evidence enough to demonstrate the fact that in small communities the intimate acquaintance existing between the members of the organization often acts as a hindrance to really efficient committee work. A knowledge of the limitations of your neighbor often prompts you to belittle his efforts—or refuse to sanction his appointment for committee service, believing him incapable of delivering the goods. Again the answers to the query relative to cooperation on the part of the city government is illuminating on this question of personal service. Eleven cities admit that this cooperation is lacking in small communities. The individual is generally in close touch with the affairs, policies and sentiments of the city administration and aligns himself closely with one or the other wing of the city government—a specie that usually has at least two wings—as a result of



which questions affecting civic improvements, or any matters affecting the policy of the city administration, too often find the commercial organization hampered in its effort to effect a reform or promote an improvement, because of the individual alignment to which I have referred. These, in brief, are to my mind the real difficulties of the small city organization.

Let us now turn our attention to the constructive problems that engage their attention and which must be and are being solved despite the obstacles above referred to.

### Demands of Members

Now a few words as to the demands that members make on their organization. It is, I think, an invariable rule that those who give the least personal service are the loudest in their demands for organization accomplishment. Small cities usually have insatiate appetites for growth; the quickest method of inducing growth is undoubtedly that of bringing in manufacturing enterprises. The usual and most insistent demand, therefore, is for factories—a demand that is extremely difficult to satisfy—and one that it is not always wise to heed too closely. The demand for protection is probably next in order. This demand is negative in its make-up—one that asks of the association that it make no effort to bring in competitive business. This, though not usually as common as the other, yet is, I think, one presenting greater difficulties of solution. Let me illustrate: You have, we will say, one wholesale grocery house; you and your committee know that the field is large enough for two, and that the second will stimulate the business of the older house, rather than discount it, on the theory that the larger the market the more buyers, but you can't expect the old house to see it that way. And here you have a real job—one calling for a fearless policy of progression. Go ahead and get your second house—the management of the old house will thank you some day if you succeed. These two are, I think, the demands that we have with us all the time. There are, of course, many others infrequent in their recurrence—but just as troublesome. There is the demand for service to the member—purely personal—often impossible, and generally unreasonable. The demand I mean of the fellow who wants to be the first to be let in on a deal or who won't join a movement unless he is afforded some special privilege that if given him must be denied to others

This variety of demand requires careful handling, a lot of diplomacy, and above all firmness.

These demands on the association are, I believe, more acute in proportion to the size of the membership and the population of the town—the smaller the town the greater are the difficulties along this line and the bigger the task of solving them.

Finally there is, I believe, no panacea for the relief of organization troubles any more than there is any unfailing recipe for working out its problems—local conditions vary to such a degree that the rule which works well in one place will fail in another. The chief task, I believe, of the secretary of a small town organization is largely that of educating his people; to strive to do all that is expected will usually spell failure—the selection of the effort that will produce real good to the community and laying stress on that one effort—in other words, laying out a small program and doing it well and thoroughly, while it may not appease the appetite of the average member during the constructive period of the work will, when the job has been accomplished, yield a greater return than that of the ambitious program that keeps everybody on their toes for awhile and finally lets them down when it fails.

## Sustaining the Interest of Members

By JAMES A. McKIBBEN

We tried in Boston in 1913 one experiment, devised by our versatile membership committee and assistant secretary Whittier. We had been conducting a limited number of industrial excursions—that is, “tours” of members through notable industrial establishments in and around Boston. They conceived the idea of conducting some “industrial trips through the works of the chamber.”

Perhaps a very brief description of the situation which made the committee on membership think this experiment advisable would be interesting to you. The position which the chamber and which certain officers of the chamber (not always with the authority of the chamber) had taken in regard to a certain important matter was strongly resented by certain members—not only because it was against their own personal interests, but because they sincerely believed that bad judgment



had been exercised, and that the position taken was not in the interest of the public as a whole. When this feeling was at its height, the time for electing directors arrived; and there was a strong opposition ticket, with a strong and active group of members of the chamber back of it, put into the field. The prophet of calamity for the chamber was abroad in the land, and there was real anxiety as to the final outcome.

The situation was one which might very well discourage any committee on membership; but the effect on our committee was to make it decide that the time had arrived to put on a little more steam. We do not believe very much in membership "campaigns" in Boston, but the situation at that time seemed to the committee on membership to make one advisable. Its members refused to be drawn into the controversy in any way; but instead of going on in the normal way, the committee instituted a campaign for new members, and in two weeks secured the applications of 367 men—and without the payment of a single cent to paid solicitors.

Now, these men came in, in December, and, joining as they did at the end of the year, it cost them a very small amount; but a bill for the whole of next year's dues would in the natural course be sent them promptly on the first of January. The committee on membership had noticed that if a member understood the objects and field work of the chamber and knew what it was doing, he was not likely to drop out of the chamber. It, therefore, wanted to get them informed about the chamber, and conceived a plan for doing it. These new members were asked how many of them would be interested in making "tours" through the chamber of commerce. Over 200 wanted to. They were divided into groups of 25, and an old member of the chamber put at the head of each group. Each "tour" consisted of a meeting of two groups at luncheon (never the same two), so arranged that before the "tours" were finished each member of any particular group had met the members of every other group and thus had, within a few weeks, as a result of his joining the chamber, considerably widened the circle of his acquaintance. These industrial excursions differed from the others, in that instead of taking the men to the factory, exhibits from the factory were brought to them. At each meeting some officer of the chamber and two chairmen or representatives of important committees gave short, snappy, intimate ten-



minute talks on the chamber and some of the important pieces of work upon which it was at that time engaged. The effect was electrical. Of those secured in this campaign, a much larger percentage stayed in and paid their dues than we had expected.

The prophet of calamity, by the way, did not "make good." Our resignations this year, instead of being enormously larger, as had been predicted, were 25 per cent less than the preceding year.

#### The Fourth Essential to Sustained Interest

All of these latter features are valuable, not only as a means of conveying information to your members, but because when the members who take part in them get in with the crowd, they have a natural tendency to go along with the crowd, and also because they are to some small degree examples of the fourth, and remaining, great main support of a strong and lasting interest on the part of your members.

Granted an efficient organization, a correct understanding of its proper function and field of work, and efficient agencies for keeping in close touch with your members and of keeping them informed of what the organization is doing, the fourth and last essential seems to me to be to get just as many of your members into the work as you can—every single one of them, if possible.

Practically every member of an organization wants to take part in its work—or thinks he does. Experience will convince you that a large portion will not do anything which involves much time or effort on their part; but they will come to a dinner or luncheon, or perhaps an outing or an industrial excursion. If that is the most you can get them to do, get them to do that—and then indulge in what the military men call "sniping" (picking off the exceptional man as he is observed here and there), the only difference being that they kill the man off, and you, instead, make him a "live one." Many valuable recruits for real, active service on working committees can be obtained in this way.

This fourth fundamental seems to me quite as important as any of the other three which I have mentioned—possibly the most important of all. People appreciate things in this world very much in proportion to the extent to which they put themselves into those things. There are in every organization many

men never discovered by its management, who are willing, even anxious, to do real work if they are given the opportunity to tackle some object in which they are interested, and believe they can produce results commensurate with the time they put into it. No organization utilizes more than a fraction of the "man power" available in its membership. I have pointed out only one of many ways in which men of this character may be discovered.

## Rebuilding an Organization

By PAUL V. BUNN

"What is a chamber of commerce, and what is it for?" I have tried to write down one paragraph, giving as well as I can what the proper definition of a "chamber of commerce" should be. "It is an organization of business and professional men, who, as individuals, believe in their town and their community, and who are, therefore, willing to support the organization with their knowledge, their personal service—and their money."

"A chamber's sole excuse for existence lies in doing the greatest good for the most people, in civic, commercial, industrial production and transportation affairs; in rendering service which will help the community, whether it knows it or not; and in handling matters of general interest, which ordinarily no individual would attempt, and which he *could* not handle if he *should* attempt."

That is what a chamber of commerce should do in order to obtain the greatest success. Now in carrying on its work any chamber is liable to fall into, or unwittingly drift into, some sort of a rut, which may impair its usefulness as a chamber, and that had better be avoided. What are the principal kinds of these ruts? I have listed seven of them.

The first one is that a chamber may serve only a limited group; Second, the chief aim of a chamber may be to pile up a surplus. I do not see that a chamber of commerce needs any surplus. Third, it may have a small income; its membership (or contributing forces) may be "tight-wads" who love incoming money but have no respect for spent dollars; men who pay no attention to the human element. Fourth, it may take biased viewpoints on all sorts of popular questions. Fifth, it may

require all its work done by its office staff, instead of having a staff that gets its members to work, thus educating them to community affairs. Sixth, it may be merely a booster club, shouting what a fine town it has, whether it has a fine town or not; inducing industries to move in regardless of their subsequent fate. Seventh, it may strive to get, instead of to serve.

There may be dozens of other ruts, but those to my mind are the principal ones that affect the commercial organization that fails of success. If these are the worst ones and if the definition above given of a real chamber of commerce is the correct one, how can we become the one by avoiding the other. Here is where we leave the abstract, and get down to the situation as it developed in St. Louis. It was, rightly or wrongly, popularly held to be a close corporation, run and controlled by a limited number of firms or individuals and people were becoming more and more restive about it, and felt less confidence in it as a helper of their own community affairs. It was regarded as a self-perpetuating institution. It was even publicly stated that one man had named the president for ten years successively; and it was felt that the membership it had, did not have a look-in at all.

### Democracy Established

But, a reorganization followed. Democracy was established. Soon the public began to realize that the chamber doors were wide open for service. We moved into new quarters twice as large as the old, established three new bureaus: Membership, publicity and industrial, the last of which had previously been a part of another department; and we began to deal with important business matters of the community—not political—which hitherto had been deliberately sidestepped.

It may be interesting to know something of the traffic on the Mississippi River, for the last 28 to 30 years—the greatest body of water in the world—that river carries about one million tons of traffic a year, while the Rhine, but a fraction of its length, far smaller in width and draining far less territory, carries fifty million. We went to work to revive that river traffic. We took hold of it progressively with the help of the other organizations up and down the river, especially at New Orleans. Under the old regime that would not have been attempted, because the railroads were against it.



The next thing we took up was to remove the so-called "coal arbitrary." We have the biggest soft coal deposits in the country just across from St. Louis and the railroads have been for years hauling this coal from the mines to East St. Louis for \$26.00 a car, regardless of the distance from the mines, but to get that same car hauled one-half mile farther across the river, St. Louis has had to pay \$10.00 extra tribute money to get that coal across the river. Imagine fighting that proposition. The chamber took hold, and I may state confidently that we expect to get a decision upon this matter before the first of the year. It is now before the Interstate Commerce Commission with all the testimony.

The next one of this class of ruts was a strike on the street railway system. The city officials had done their best to get the officials of the railway company and their employees together. They would not speak together. The chamber got them together in its offices about 4:00 o'clock one afternoon, locked them in, and at 10:00 o'clock they came out with an agreement. So the public began to see the chamber was taking up things for the good of the public. It was easier to get members than before, when we had to overcome prejudice against our previous association on the part of the people, who felt it had not been run for the wider interests of the city.

Later three additional new bureaus were added: The Junior Chamber of Commerce Bureau, the Safety Council and the St. Louis Furniture Board of Trade. The junior chamber is made up of young men eighteen to 28 years of age, and they are all in business, all interested. The bureau has 700 members, each paying \$6.00 yearly in dues. These young men are going to give the chamber the material in later years to make good; and, if the chamber does its duty by them, they will be better business men.

The tendency of the average man is to think in terms of the individual, instead of in terms of the community. We have a habit of mixing altruism and selfishness, and the mixture is not standardized. Some people are nearly 100 per cent selfish, I am sorry to say, some 90 per cent, 70 per cent, 50 per cent, and so on, down to the few who are 100 per cent altruistic. But there are few in that class. It is an unfortunate fact that it is always the minority, the few, that will take action in a way that will benefit the community regardless of their own personal interest.

It is easy to find good arguments in favor of the thing which means dollars to us. That is, perhaps, one of the reasons why the average chamber of commerce has only twenty to 30 per cent of the population who should be eligible prospects. And many of those that do join the chamber are under a misapprehension. They think that as soon as they sign their cards they are going to get some business from the chamber, so that the profits from that business will pay for the dues in the chamber, and when they find that out, they become among those that furnish a large percentage of membership losses. Perhaps that is not true, but that class furnishes a large proportion of lapses in membership.

### The Selfish Member

A man came into my office the other day and said: "I am not going to renew this membership, because I don't get enough printing from you. I have got to have enough printing from you to pay for my membership, in order to keep it up."

"Write out your resignation," I said. He began to see light, and came back. It showed the trend of his mind. He wanted a few hundred dollars' worth of printing trade, to make fifty dollars' worth of profit to take care of his membership dues.

Real production is confined to products of the soil, and the waters, and the mines, and the forests. Everything used has got to come from those sources. If a man manufactures axes, he must have the raw ore to make them from; if he manufactures cloth, he must have the raw cotton, raised in the field and picked and ginned, in order to make his product. Many times this manufacturer is liable to think he is a producer, but he is, in fact, a transformer. Likewise the man who distributes, the wholesale hardware merchant, or the jobber who sells the axes or the cloth to the retailer, may get the idea into his head that he is producing something, when he is in reality only a distributor of the products of the soil, the mines and the forests, put into shapes which he can sell to retailers and consumers. Our banks with their millions of resources—what do they produce? Nothing. They loan you money; establish debits and credits on slips of paper. But if it were not for the producer, they would go out of business, all of them.

We must teach the producer he must do things better than

he has done before; and he must no longer ignore the sources of supply. When production ceases, our business ceases. When production is low, our business is low. The manufacturer and distributor will have nothing to manufacture and distribute; the transformer nothing to transform, and our bankers' debits and credits become worthless scraps of paper. Cities live and trade upon the surplus of the producer. Down at Wall Street they trade on the surplus made by our producers over and above what they and their families require. That is all we have to trade on.

Why dilate on this point? Simply because we are talking about re-building an organization, and that, among others, is a thing we have got to take an interest in. Rebuilding an organization depends on getting the right idea of things and selling that idea to your community as an important thing to be done. That is a great deal better than going around begging a man to join your local chamber because you want him to. That is the poorest reason in the world why any man should be asked to join a chamber of commerce; as S. C. Mead said: "All membership work is worse than fatal, unless you have the goods to deliver; unless you have an organization that is doing things, and upon the basis of the new membership and the revenue derived therefrom, will continue to do things that are worth while and useful to your community." It is a question of salesmanship; and the best salesmanship is that which sells the customer what he really needs.

We have not tried the intensive campaign. But we have been working along the lines of the "still hunt" campaign ever since I have been there. We have a membership board, and we got a heavyweight member of the board to take the chairmanship of the membership committee—a man interested in it, and who could afford to devote some time to it. We hired a live wire, a good mixer. We put a hundred selected men on the committee, many of them good salesmen, men who want to increase their acquaintance. A goodly per cent are insurance men, real estate salesmen, etc. Then, time and money were spent on preparing a list of three thousand prospects. These were listed on cards, arranged by location, all in one building, or one block being assorted together. About fifteen to thirty people meet at the chamber every Tuesday morning, get fifteen to twenty cards, and go out in two-men teams. At 12:30 they meet at a complimentary luncheon and compare results.



We kept that up for days, and on no day did we get less than ten. We gained 453 net memberships last year; this year we have gained thus far 847 memberships. Our net membership stands today at 3,521, which is a net gain of 1,300 in 23 months. That would give a yearly increase of \$65,000 in revenue. We deduct ten per cent in figuring here, although that is too much. The total number of new members to get that gain, since January, 1917, was 1,958. That is the number we have brought in in 23 months. Our total losses of all kinds since January, 1917, were 658, though it was said at the time we changed the policy of the chamber, that we would lose over a thousand members.

### Service—Great and Small

All these big things, these big campaigns—all these big things that you can do, are good and necessary; but don't make the mistake of thinking that public approval is not swayed as much or more by little personal services as by the big things. If you tell a man you have raised ten million dollars in a tuberculosis campaign, that is fine; but if you stop his tooth ache he appreciates that more than he does your success in your tuberculosis campaign. When after three years' work, we rectified the 5 per cent freight discrimination against St. Louis, people realized we were getting on. But one canner who had vainly looked several days for a lost car of empty cans, while his fruit was about to spoil, thought much more of our service when we found the car and placed it at his door, six hours after he told us of it.

When another firm got a dozen bales of furs from Japan at 5:00 P. M. Saturday, and had to have those tags translated in two hours, they appreciated the fact that we did it for them, perhaps even more than they appreciated the revival of traffic on the river, or the removal of the "coal arbitrary." A man came into the chamber the other day. He had been a member for a year. "I want to take out a membership for my secretary," he said. "That man who takes care of me at the door treats me so politely and courteously, that I feel that I would like my secretary to enjoy the privileges of such a chamber as well as myself." See what a little thing like that will do.

That is the whole story; and you get my point: That no matter what else you do, you must go after the things that will

meet the needs, that will meet the approval of the people. Go after them sincerely, get rid of all class distinction. Work for the community first and the individual second. Keep out of politics, but in business matters shoot with a rifle, and not with a blunderbuss. Make your organization democratic, and make your public feel you are there to render them service.

## CHAPTER XV.

### Organization Publicity

Keeping Before the Public

By WM. B. WREFORD

The chances are that, if an average bright newspaper man got access to the work of such an organization, he would have discussed the subject matter of the ponderous prepared article with a dozen lines, or at least not gone farther than to make it the text of a dozen or more periodical paragraphs. In the case of either treatment, note the difference in the result: The dozen printed paragraphs would have been breezy and would have been read, where the ponderous article would have been overlooked. The dozen printed paragraphs would have kept the work of the organization before the public for a dozen days, where the heavy article would not have held attention for a single day.

The trade of journalism is one which lives on personality. To begin with, the free-masonry that exists between man and man engaged in its pursuit is perfect. No journalist falls so far from grace as to entirely forfeit the sympathy of the more orderly members of the profession. No callow youth struggling to mount the ladder of journalistic fame is so crude or so uncertain of future that some of his fellows do not lend him a helping hand. No man or woman who has made good in the profession goes out of it to another sphere of activity that the good-will of his fellows does not follow him, and magnify his virtues and overlook his mistakes. The hardest critics in the world, the journalists, are the kindest observers of the work of their own fellows.

Recognizing this, commercial organizations can do their best work by going into the profession of journalism for occupants of some of the places at their disposal, for men who are in active touch and have personal friendship with those whom they leave behind them at the newspaper desks and typewriters,



and who can get desirable publicity, where the solemn old daddies who used to make publicity could not get a hearing.

### An Official Mouthpiece

The publicity work of a commercial organization should be solely the work of one man—he should be the mouthpiece of the institution, not necessarily quoting himself, but the president or chairman of a committee or the secretary, or whoever fits the case the best.

The local newspaper, say what one will, is the most generous contributor to town building that an organization has at its disposal. It has, or should have, a selfish interest in the growth of its city. A bigger city means, apart from the gratification of honest local patriotism, the more material satisfactions of a greater body of readers, bringing with it a better appeal to advertisers, and a greater recompense from such appeals. The newspaper receives one of the promptest of the rewards from the growth, in that every newcomer to one's city represents a penny or two a day for the publication.

Moreover, journalism has high ideals. It has been striving for better citizenship, more honest government; greater advantages, material and moral, long before our commercial organizations were born. Well organized commercial associations come into being, therefore, as handmaids of journalism in the achievement of its ideals and are welcomed by it, because they represent the organized assistance of the community in bettering its own material and moral conditions. These are among the reasons, practical and ideal, why the commercial organization, which is to succeed, must seek and secure the cooperation of the press in its development and in keeping it before the public.

### Keeping Before the Public

I have referred to being kept before the public. Let us analyze the necessity. A hermit will never make a politician. A bird that sits on the nest all the time will never get a reputation for the beauty of its plumage or the sweetness of its warble. The article of commerce that waits until its merits are passed around by those who use it, without advertising its merits, will never make its producer a millionaire. Success cept burglary. So the success of a commercial organization and publicity are interchangeable terms in every business ex-

lies in its being able to so conduct itself that its journalistic friends will find in its activities constant text for keeping it before the public.

## Advertising Methods of Commercial Organizations

By FRED CLAYTON BUTLER

The charge has been made that commercial organization publications survive but a short time. This is disproved by the fact that practically all of the publications mentioned in the report of 1914 of this committee are still in existence and fully twenty-five per cent more have been started during the past year. It will be noticed, by referring to the exhibits, that many of these publications are in their fourth, fifth, sixth and even ninth and tenth volumes.

While, almost without exception, executives now issuing house organs are strongly of the opinion that they are read and appreciated by the membership, yet of course no one is able to advance complete and definite proof. Complaints from members failing to receive copies, suggestions regarding the work mentioned in the publication and numerous and hearty expressions of approval and interest on the part of the members, have convinced executives that the house organ is filling a definite need. Stevens of Akron reported a poll which showed that a large majority of the members read the publication.

The large and constantly growing number of house organs issued by organizations is in itself an acknowledgment of their need. In the largest cities the necessity of such a publication is so obvious as to need no detailing here. Such organizations have large memberships, but a small portion of which can be brought into the activities of the work. The fields of effort are so numerous and so widespread as to make any adequate mention of them in the daily press impossible. In fact, the mere recital of the work undertaken and accomplished by a large organization makes a magazine in itself.

Accepting as a basic premise, therefore, that the successful organization must continually keep before its membership the story of what it is doing and trying to do, we must admit

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Committee: Fred Clayton Butler, Chairman; Thorndike Deland, A. V. Snell, Howard Strong, O. B. Towne.

that the publication of a house organ by associations in the larger cities is justified from every viewpoint. The question for discussion, consequently, is whether, in the smaller cities where almost unlimited newspaper publicity is available, the the publication of a house organ by commercial associations is advisable.

### House Organ Contents

Without exception, I believe, all publications regardless of size contain the work of the organization. Some contain nothing else, while others contain items and articles on business, civics and trade organization.

In the choice of suitable contents for a house organ, opinion differs widely. Gibbs of Olean believed a publication should contain "clear and concise statements in regard to work being done by the organization, a few well-selected items in regard to what others are doing and a few articles which tend to create civic patriotism." Wadsworth of Youngstown used local industrial news (not reprinted but worked up especially), reports of committee activities, appeals for cooperation of members in the larger current activities, and notes on what other cities are doing. He believed that "members will not read through duty. The publication must compete in pure interest with other reading matter received."

Weller of Erie added that "a small portion of humor and epigrams or short, snappy quotations" are necessary to make a publication readable, but Foss of Springfield thought the contents should be limited to "activities of the organization, matters of special interest to its members, and the welfare of the town, presented in a simple, direct and dignified manner, omitting jokes and poetry of doubtful literary merit."

Lovelace of Danbury believed in "laying emphasis upon what other cities are doing," while Holmes of Sioux City raised an objection to this: "I notice that many of the commercial organizations are devoting a large amount of space in the house organs to quotations from the writings and sayings of other commercial secretaries and presidents—some of them very clever and pretty. But it is my judgment, based on such observation as an old time newspaper man could give, that the average commercial club member is not particularly interested in platitudes on what the Podunk Board of Trade is doing." There is a point in publishing what other organizations are doing,



however, that is missed by Mr. Holmes. This was well brought out in a recent article in "Town Development" by Frederick W. Bender from which I quote:

The commercial organization journal has a two-pronged purpose—first to acquaint the membership with what is being done and second, to prepare the minds of the members for the things that are to be done. It is a "little message" that drops into an office every little while and plants a thought in the mind of the member, doing so regularly, approaching the matter from a little different angle each time, until the member as a result of this persistent thought suggestion, comes around to a meeting and advocates the carrying out of the particular "suggested" project.

A commercial executive of many years' experience in commercial organization work recently stated: "I question the advisability of ever making a direct statement to your membership about any measure which you propose to carry out, especially where that particular measure means a departure from the usual, without first preparing the minds of the memberships and the community for the thing you propose doing.

Experienced executives generally agree that about 90 per cent of the commercial organization projects that fail to materialize and are lost on the "table" could have been saved and made realities by preparation. As one executive recently put it, "plant the thought and then assiduously irrigate it." The membership and community mind must understand and appreciate a thing before it can desire it—desire always comes from appreciation and understanding.

Such publications as "Chicago Commerce" and "Greater New York" of the Merchants' Association, go further than purely organization news and, in the words of Mr. Mead, "endeavor to keep the members informed of important events affecting their business, and to arouse interest in the city and its welfare." Many other organizations devote considerable space in their publications to a summary of news regarding the purely commercial features of their work, such as credits, traffic, exports, etc.

### Question of Make-Up

In the matter of make-up there are also two different schools—the magazine and the newspaper. The preponderance of opinion seems to rest with the newspaper style for reasons logically set forth by Hillweg of Minneapolis from whom I quote:

"For two years we published our bulletin as a small magazine attractively printed. We felt, however, that it was failing in its purpose of keeping the members advised of the activities of the association. We finally reached the conclusion that a bulletin prepared in newspaper form should accomplish the result desired. We reasoned that because of the likeness of

our bulletin to a newspaper, the member would be less inclined to cast it aside to be read at some later date. The first issue of the bulletin in the new form brought all the proof we desired of its acceptance by our members. While economy played no part in our change, we find that the new form is both more effective and cheaper than the old."

Mr. Mead also pointed out that "the advantage of the newspaper form, lies in the fact that it enables the editor to present the news in a way that is familiar to newspaper readers. It also makes possible a lively tone which cannot so well be injected into the magazine form."

Casey of Haverill recommended "keeping the articles down in size; making them short but snappy, in newspaper style, readable and as interesting as possible." While all seem to agree that the articles should be "lively and interesting" it should not be forgotten that to write such articles is a difficult art. Unless great care is taken, the tendency is toward flippancy which sooner or later degenerates into the insane piffle. There is no doubt that members like to read clever "joshing" stories such as are often seen regarding trips and cruises and the more social events of organization work, but the temptation to carry this too far should be religiously restrained.

Hillweg of Minneapolis "found it easy and highly desirable to use illustrations in this form of bulletin," and also found that "it is possible to epitomize in the head-lines all essential points of our work and thus impress the record of activities upon the man who reads nothing but head-lines." This is an important point. In the smaller publications especially, the tendency is noticeable to avoid long stories and to break an article if necessary into several small stories each with a head so that he who runs may read.

The objection that the small organization will not have enough fresh copy for a regularly issued house organ does not seem to be a convincing one in the opinion of most executives. In fact, some point out that a regular publication is in itself an incentive to keep the organization at a high pitch. The executive finds himself "trying to make bogie" as it were, and unconsciously spurs up the entire organization when he thinks of that monthly resume of activities which must be made. Some executives seem to feel that it is necessary for them to



publish in the house organ, matter which is distinctly news and which has not yet appeared in print. Others point out that this is a false view and that, as a matter of fact, in the small cities at least, nothing should be withheld from the press in order to make news for the house organ. Therefore, entirely regardless of whether or not the organization activities have already appeared in the newspapers, they should be printed in the organization publication. Members do not read the newspapers thoroughly and even though they did, the effort of a repeated recapitulation of the organization's work is far more impressive and lasting than the mere perusal of occasional newspaper stories.

### Frequency of Publication

In regard to the frequency of publication, opinion is pretty well settled upon the desirability of a weekly for the larger organizations for reasons which are clearly pointed out by Mr. McKibben: "It appears four times as often and therefore has four times the opportunity to make an impression. In reporting chamber events and happenings, the weekly, being nearer to the event, can give a more effective news touch to its story than the tardy monthly. Each event can be told about more fully and can be brought to the attention of your members more effectively, for you only have to cover one-quarter as many events as you would have to cover in the monthly. The weekly enables you to give more accurate and timely information as to those events which could be covered by a monthly, and enables you to give notice of many events which could not be covered by a monthly—for it is impossible for a busy, working organization to make up a full and accurate schedule of coming events a month ahead. In organization work the newspaper is more valuable than the magazine—and the weekly, appearing more often than the monthly, lends itself more naturally to newspaper style."

### Should Advertising Be Admitted?

In this matter of advertising we find the two schools of thought most definitely marked. Here there are no half-way opinions. Executives either believe in securing advertising or they do not. Needless to say those organizations that are now publishing advertisements believe in that policy. Of those who do not accept advertising all but a few condemn the practice. The lines are so sharply drawn that all that can be done in this



paper, is to present the two sides fairly and leave the individual to his own decision.

While many executives believe with Cotton of Providence that "the presence of advertising matter in the publication renders it more valuable," and while they honestly believe with him that "any and all advertisers will eventually get their money's worth if they supply the right sort of copy and deliver the quality of goods they advertise," yet it should not be overlooked that if advertising brought no revenue there would be none printed. Consequently the question resolves itself into one of ethics—whether or not a civic-commercial organization is justified in using its publications for profit. Many executives contend that an organization has no more right to seek a revenue in this field than in any other of its various activities.

That advertising is an important factor is shown by the fact that many organizations report an income equal to as high as 75 per cent of the cost of the publication, a few like the Milwaukee Association of Commerce make "one pay the other," and some pay the entire cost of publication with a profit besides.

One of the strongest arguments against advertising is that most commercial organizations are today supervising the advertising propositions presented to their members. Most such organizations would refuse to sanction the solicitation of advertising for a publication issued by any other local, civic, fraternal or business organization. Howe of Utica said: "As a chamber we are absolutely opposed to organ advertising, as we consider it a species of additional mulcting of our members. Having a circulation of 1,000 members we have had applications from banks and other sources for advertising space, but have universally turned them down. My personal view of many of the organs that come here is that the money is wasted; in fact, I cannot see how different chambers put over the advertising they do. I make this point because I believe it is impossible to give such circulation to these publications as will justify the advertising. Without any hesitation I may say that we could get advertising enough in this city to pay for an elaborate organ if we desired it but as one of the aims of the chamber at the present time is to cut down the enormous waste of money given hit or miss to different soliciting agencies, we

feel that we would not be justified in joining the ranks of such agencies—far better a one-sheet bulletin.”

Assistant Secretary McCarthy of Duluth was of a similar opinion. “We endeavor to protect our members from special advertising media and the club publication is one such. The advertising is also an additional tax. It decreases the value by making it, not a special message to the member, but a commercial proposition. A monthly bulletin large enough to get into a No. 10 envelope can carry a lot of news and inexpensive enough for any organization worthy to be classed as alive.”

Deuble of Canton believed that “a house organ is primarily a factor of information rather than commercial exploitation and should not carry advertising to be of the greatest effect in its real mission to the members. A house organ is in the nature of a confidential communication to the membership and should not tell them where to buy underwear or plumbing at the same time. This practically makes advertising a donation to the associations, because the writer has never experienced any return from such advertising for others, in seven years’ advertising management. It also would appear very similar to the souvenir books and programs which advertising is generally condemned by conservative advertisers as valueless from a business standpoint and appreciated only by the exploiting managers.”

In the matter of advertising “Chicago Commerce” has taken the middle ground. Mr. Miller writes: “The paper is not self-sustaining and could not be made so without carrying a much larger amount of advertising than we now carry. It is the opinion of some of the officers of the association that the paper should carry no advertising whatever; others believe we should carry enough advertising to pay expenses, and we have fallen into the habit of taking the middle course between the two extremes, and accept such advertising as comes to us without much effort on our part.”

A few organizations, like the New Orleans Association of Commerce have refused to permit the soliciting of advertising on the ground that the association was not in the advertising business. The Merchants’ Association of New York decided not to accept advertising and Mr. Mead explains that “the chief reason for this decision was that a publication without advertising would be more dignified and would make it possible

to display the news of the association to greater advantage. Other considerations are the danger of making members feel that they are being asked to pay more than their yearly regular dues for the support of their association, and the possibility that the newspapers might feel that the association was encroaching upon their field."

### Important As Means of Communication

A word in regard to expense: Any organization that can afford to issue a year book could much better put the same amount of money in some sort of a house organ. An annual report is as a rule merely glanced through and laid to one side. A house organ appears repeatedly and is effective through its very persistence. A four page journal 6 x 9 can be printed for as low as \$17.00 monthly. The postage need not be considered, as the publication will take the place of miscellaneous notices which would average once monthly. For, to quote Babcock of Dallas again, "In case an organization cannot issue a regular publication, a monthly report in the way of letters to members is absolutely necessary to keep the organization members in touch with what is going on."

To quote Editor Cushing of "The Detroiter," "The publication saves the board many hundreds and even thousands of dollars by making it unnecessary to send out notices of our Tuesday meetings; inasmuch as we have between 30 and 40 Tuesday meetings a year, heretofore it was necessary to send out printed literature to each member, all of which is now taken care of by "The Detroiter," and the saving is quite a large one."

A writer in a current magazine recommends the use of a weekly post card in lieu of a publication. In doing so, he overlooks the fact that the matter of postage would be by far, the greatest item of expense and that four or five post cards monthly to a mailing list of fifteen hundred would cost far more than a well printed and illustrated publication of at least eight pages. This writer's recommendation does not justify his conclusion that "the official organ is a costly method of publicity in the long run."

The journal can be enclosed with bills and statements and in this way the matter of postage practically eliminated. As a rule second class rates are out of the question for small cities, as they apply only to weeklies.



There is one form of house organ that can be issued without cost that have given good results in Winona, Joliet and Minot. This is to arrange with the newspapers to publish on a certain day each week under a distinctive heading in a certain location of the paper, exactly the same material that would ordinarily be published in a house organ. The advantages are that all the citizens are kept in touch with the work of the organization and not merely the members alone. The disadvantages are that people as a rule read their newspapers hurriedly and skip over undisplayed matter. There is also the disadvantage of handling a story as a re-write that has already appeared as a news story in another column of the same paper.

Hollenga of Minot is using this plan daily. Not only does he inform his members of what is going on, but he also gives little write-ups about interesting happenings in other cities—in fact, exactly the same matter as that which appears in the usual house organ. The plan is well worth the consideration of executives in organizations that do not feel that they can afford the expense of a regular publication of their own.

Furthermore, a large number of organizations are using their house organ as a means of influencing prospective members with the worth of the organization while they are, as President Mead puts it, "in the incubation stage." It should not be overlooked that this education of prospective members, which will ultimately make it easy to bring a large number of them into the organization, makes the house organ a paying investment.

Many executives feel that an association cannot exist on newspaper publicity alone, unsupported by regular reports epitomizing and emphasizing the accomplishments of the organization. In other words, it seems to be the opinion that it is necessary from time to time to lay before the "stockholder-members" of the organization a dividend balance sheet.

In view of the opinions advanced and the recommendations made by the executives consulted, there is but one conclusion, the house organ has come to stay. It is a logical and necessary complement to a successful community organization. It is a pulse-beat from the association itself, carrying to every part of the body its warming, vivifying influence, dispelling indifference and misunderstanding, awakening enthusiasm and desire, creating a civic vision and bringing to the organization that unanimity of thought and action without which an army is but a mob.

# Promotional Efforts and the Public Press

By ADOLPH BOLDT

We are living in an age of publicity. Advertising is making the world go 'round and at a giddy speed! The merchant, the promoter, the manufacturer, etc., with an unknown or non-advertised article for sale, is soon dropped off and left behind by the fearless operator who takes the bone of advertising and publicity in his teeth and lets the world know he's in the game.

The same is true of the commercial executive or secretary. Let him tell the members and the public at large through the columns of the daily press the activities of his organization and he will find the people and the press back of him. Let him cover his activities by a blanket of silence and he'll soon find out that it's very monotonous to do all the boosting. If we all hid our lights under a bushel this would be a dark world, indeed.

It is said that in Houston three men in a corner can accomplish more than 77 mass meetings. True, if one of the three is a newspaper reporter. By this I don't mean that the press should have access to everything. We all know that executive meetings are oftentimes necessary for the good of a proposition. Yet when the time comes for action, if it is action by the public, it is the newspapers upon which we all depend to get it before them. Then if we approach the press in a half-way manner or in a spirit of aloofness, that might suggest that their part of the cooperation was only for the paper to be used, we can not expect the whole-hearted assistance in news columns and editorial pages which, without any movement with the public, will fall flat.

## Show Your Newspapers You Trust Them

The honor of the average present day newspaperman is wonderful and an inspiration. Although he is employed to gather facts and report them, he will invariably, when asked, repress such facts until released. Give him your confidence, show him you honor it and when you release to him your story and permit its publication, you will find such publication greater in prominence, better prepared and a genuine message from yourself to the public, rather than a brief notice, hastily written with the facts secured one minute, written the next and rushed into print.

I have known newspapermen who asked that such confidence be given them. If the story or matter is not ready for publication, let your reporter in on the story as it progresses, under promise of secrecy, and when the news breaks you will find your reporter thoroughly familiar with all the ramifications of the story, its import and purposes and far better prepared to give you an interesting exposition of your efforts, rather than a garbled report or brief secured from quickly gathered facts, he can not in a short time fully comprehend. Try it, but first know your reporter.

Promotional effort is itself a matter largely of stock selling. It is a fact that there are few worthy industries seeking a change of base. When an industry knocks for admittance at your doors ninety-nine times out of a hundred, there is a string attached. First it is best to find out why the industry seeks to move from another town to yours. There's always a reason behind such moves and it is safe to find out whether the real reason will be of benefit to your town. If an industry or business is a failure in a brother secretary's town, the chances are it will be a failure in your town and a reported failure is a demerit against your town.

Again there are few, very few, industries that come to another town seeking entry with enough finances to carry them through. Nearly all want to ship in an old plant, and enlist local aid to reestablish on a new footing. Should the manufactured article be a patent, remember the investor appraises his article in the millions when the cool-headed investor will value it in dollars. Like the airbrake the patent may later be worth millions when its success is fully developed, but you can safely discount it one one-hundredth at its beginning, as Vanderbilt did when Westinghouse approached him with his airbrake and Vanderbilt scouted the idea of applying train brakes with "wind."

When an industry seeks to move, first find the reason. If the reason is meritorious and your city's advantages will remove the barrier the industry worked against in another city, you have a good prospect to work upon. Find out the condition of the business, appraise the plant with an expert eye, apart from the appraisal placed by the owners, hear the plans of the newcomers and then meet with your manufacturers' committee. Have this committee consist of manufacturers, bankers and



capitalists, shrewd business men, but not too conservative. Have them liberal, yet safe and the advice they will give you may be depended upon.

Ofttimes they will pick to pieces the plans submitted by the newcomers. The latter can see but one side—success in the new field with unlimited capital. The committee views it from another angle—can it succeed, will the money be profitably invested, the business well managed and a fair return of profit yielded? You can depend on the revised plan offered by the committee. Offer it to the newcomers and stand on it. Let them take it or reject it. If they don't want it, you don't want the industry. Play safe, remembering you are acting for the city with every inhabitant as your client. Don't offer the people something you wouldn't take yourself and you can come very near putting over anything you want.

If the revised plan is accepted by the newcomers your line of cooperation shifts to the newspapers. If the unexpected has occurred, and the incoming industry has plenty of funds, enlist the newspapers in giving them a proper welcome and introduce the goods to be manufactured to the home people. Nothing will inspire a new manufacturer more than material welcome in a new city by the people trying his goods. Make him feel at home, ask the press to comment editorially and make the newcomer feel you are glad he came. Your good feeling through the press will kindle a like feeling with the people and the newcomer, too, will be glad he came.

### When the Newspaper is Your Best Aid

But, should the newcomer seek additional capital (and they nearly all do) and the manufacturers' committee has indorsed his plan or submitted a new one that has been accepted, the newspaper becomes your invaluable ally.

Before you attempt to place a dollar's worth of stock, have your projected enterprise well advertised. Let the newspapers in on the whole scheme and if there is any part of it you do not want printed, you can rely on them not to print it if you so request and play fair with them. But if you want the whole-hearted cooperation of the newspapers take them into your confidence, unfold the whole plan and show how they can cooperate. With all the plans before them you will find them just as interested as you and your path well paved with pub-

licity, when you go out into the town with your subscription lists.

If an enterprise is indorsed by the press the people are with you. They have made your introductory speech, your prospective investors have been apprised of your proposition in advance and their opinion is bound to be favorable with press comment behind it.

If the money is available you will find your task easy. As subscriptions are secured publicity of this fact will make your task lighter as the dollars pile up and you will find in the end that your confidence in the newspapers was not only well placed, but they practically have done the work for you.

Now in contrast imagine the secretary who hoards to himself his industrial plans, and tries to raise \$50,000 or more alone. If he expects to do it all himself and when the work is accomplished make a newspaper splurge, it is doubtful whether it will ever come to that point. Raising money is hard enough in itself and can not be done without cooperation. The fact that you have created the plan and led the fight with the newspapers giving it impetus is credit enough all around; but in the final analysis it is not credit marks you are seeking, but something for your town.

Cooperate with the newspapers and they will cooperate with you. Try to use them and they will have your nose on the grindstone. They are the moulders of public opinion, without which your efforts would be nil. Get the newspapers behind you in all your efforts and half of your battles will be won before they are started.

## Keeping the Members Informed

By JAMES A. McKIBBEN

Granted that you have an efficient organization, and that your members have an appreciation of the proper field of work and of endeavor of an organization such as we are connected with, it does not necessarily follow that you have an interested membership. These things are merely the foundation upon which the structure of active, live interest must rest. What are the essential elements of a strong and enduring superstructure of sustained interest?

Obviously, one of the main supports of your superstruc-

ture must be an efficient plan for keeping the members well informed as to what the organization is doing and attempting to do.

There are, to be sure, successful business men who will argue with vigor and conviction that any particular effort to keep your members informed is unnecessary; that all that is necessary is to do efficient work, and that if the organization is doing efficient work, its members will find it out. The business man who takes that point of view may know all about his business, but he does not know the first principles of working with the public, and he does not understand human beings. One of the fundamental facts about human beings—and one which it is well for anybody interested in carrying on any public movement to bear in mind—is that they are all by nature egoists; and one of the many ways in which that trait shows itself is a man's tendency to assume that what he does not know about does not exist. If he has not heard about his organization doing a thing, he instinctively assumes that it has not done it; if he has not heard about a thing happening, he assumes that it has not happened; and if he does not know affirmatively that your organization is doing efficient work, he instinctively assumes that it is not.

In any public movement, whether it be carried on by a commercial organization or any other association, your chances of doing successful and efficient work are very small unless you keep those for and with whom you are working, informed and carry them along with you. Most organizations realize this; most organizations are attempting in some way to meet the situation; and there is no organization, I imagine, which will not admit that its efforts have not been altogether successful—and, perhaps, even that the results are sometimes quite discouraging. We in Boston have certainly struggled with the problem, and are still struggling with it.

### Some Ways of Keeping Them Informed

It is just as true in this field as in any other, that no other agency has yet been devised that compares with the personal interview, either in efficiency, in surety of results, or in the quickness with which it produces them. Business men do not by choice sell goods by mail or by circular if it is feasible for them to have a good salesman call on the customer. Whatever



the size or nature of your organization, it is well to take a leaf out of the book of business experience and utilize the personal call to the extent to which the size of your organization permits.

It is an easy matter for the small organization to keep in close and efficient touch with its members through personal interviews by its officers and directors. They can, and ought to, make use of this efficient agency to a much greater extent than they usually do.

In the case of the somewhat larger organization, located in the medium-sized locality, it is entirely feasible to utilize the personal interview to a considerable extent; and an auxiliary agency is almost always at hand in the local newspaper which can, and usually will quite willingly, devote as much space to what the commercial organization is doing as the organization will furnish real good, live news to fill. The yoking of these two agencies—the personal interview and the columns of the local newspaper—gives the medium-sized organization in the medium-sized community the very best chance of all to convey its message satisfactorily to its members.

Inquiry as to the extent to which this auxiliary agency has been used will be likely to elicit some complaint of lack of cooperation on the part of the publishers of the local newspaper; but such investigation as I have been able to make causes me to have a good deal of sympathy with the publisher. He is not a magician, and with the very best intentions he can only accomplish a very little in the direction of transforming dry, uninteresting “droll”—such as he is too frequently furnished—into live, interesting reading matter. There are always two sides to a case, and I am inclined to think that investigation will convince you that where the local commercial organization has not the cooperation of the local newspaper, the fault is not usually principally on the side of the publisher of the paper.

The difficulties of the problem of keeping the members informed increase as the size of the organization and the size of the city increases—and they increase, not in arithmetical, but in geometrical ratio; and, unfortunately, while the difficulties have increased, the possibility of utilizing the agencies which I have mentioned, has decreased. The number whom you can reach by personal interviews is very small, and, unlike the

newspaper in a town or small city where the problem of the publisher—whether he will admit it or not—is to get enough live matter to fill his columns, the pressure for space upon the management of a newspaper in a metropolitan city is terrific. A newspaper in a large metropolitan city will not—and, frankly, I do not believe can reasonably be expected to—give anything like a proportional amount of space in comparison with the amount which the newspaper in a small city can and will give. In the case of the large organization in a large city, the problem is, therefore, immensely more difficult, and the agencies upon which the small organization can rely are very much less available.

### Type of Organization Organs

As a consequence, most of them have considered it necessary to establish a publication of their own. The first experiment is usually a monthly magazine; and although there has been a trend in the last few years towards the weekly publication, the monthly is still by far the most prevalent type of organization organ.

A good monthly can do a great deal for an organization and for its city, and it has some advantages over any other form of publication; but as a means of conveying “live” news, it is somewhat lacking. If it is of any considerable size, the very last of the copy will have to be furnished to the printer from six to ten days before it is delivered to your members—and this means that its freshest news is from a week to ten days old, and the oldest from five to six weeks old, when it gets to your members.

On the other hand, a weekly, being smaller in size and different in shape, can be printed and delivered within twenty-four hours from the time that the last of the copy is delivered to the printer. It also has some other advantages over the monthly, and as a consequence, a considerable number of the larger organizations have adopted this style of publication.

### Other Ways of Keeping Members Informed

Reliance ought not to be placed entirely, however, on any one or all of the three agencies I have mentioned—the personal interview, the local newspaper, and the monthly or weekly publication. If you expect to keep every member informed, you must utilize every possible agency; and there are still other agencies available.

One other way is to utilize another fundamental fact about human beings. Men are gregarious animals. The interest of the members of the organization in it and its work can be greatly increased by getting them together in a social way—and then utilizing the occasion for informing them about some phase of the organization's work or some matter in which the members of the organization are naturally interested. There is, of course, a danger of overemphasizing the social features of the organization. Excessive zeal to get a good attendance and "make a showing" has blinded many an organization and many a secretary to the fact that getting together a large number of your members at a dinner merely to hear somebody make a funny speech does not materially increase their interest in the organization and its work. The noted orator or witty speaker may be necessary as a drawing card; but the organization which does not utilize the occasion to convey to its members something which will be of lasting value to the organization and to the community, has failed to take full advantage of the opportunity. The combination which we have found to work best is three speakers, each occupying from twenty to thirty minutes—one a great orator or noted man with "drawing power," another who will say something really "meaty," and finally a short, witty speech. Some people like oratory, and others want "meat"—and both these classes (although the latter class will not always cheerfully admit it) like a little fun, if it is not overworked.

A method of getting the members together which has increased in popularity tremendously in the last few years is the noon-day luncheon, followed by one or more addresses, occupying between a half hour and an hour. In fact, it is perhaps not putting it too strongly to say that this is the commercial organization fad of the present time. Here, again, as in the case of dinners, the increase in mutual acquaintance and understanding is of considerable value to the organization; but these noonday luncheons can be given a permanent and lasting value by systematic and well-planned attempts to convey to the members a message of real value to the organization and the community—and to the members themselves.

Another method of turning the gregarious instincts of human beings to the profit of the organization, used more frequently in the West than in the East, is to provide luncheon



accommodations for your members. The getting of the man into your building, and especially his acquiring the habit of coming there from day to day, or at frequent intervals, has the psychological effect on his mind of identifying him with the organization and imbuing him with the esprit de corps of the body. Many business men find the lunch hour the most convenient time for committee meetings, and good luncheon accommodations are likely to assist greatly in securing satisfactory attendance at committee meetings and have a marked tendency to keep the committees in close touch with the organization and with its members. The potential advantages of luncheon accommodations are very great; but left to itself, a lunch room is likely to be of little value—and may even be a source of weakness, through over-emphasizing the social side of the organization. It is only by well-planned, systematic work that the potential advantages may be realized.

## Organization Bulletins—Their Hits and Misses

By G. W. LEMON

Organization bulletins—why have them—what type is the most popular—what is the most successful—are we hitting or missing the mark with them—are they really worth the time, effort and money expended? Despite the fact that there are a few secretaries not yet convinced that bulletins are worth while, the overwhelming majority of those who answered my questionnaire declare for a bulletin.

Why? "It is the show window of the chamber of commerce, doing for the organization what the window display does for a business establishment.

"It is the direct connection and point of contact between the membership at large on the one hand, and the organization and its executive officers on the other.

"Permits the presentation of chamber of commerce news and views from the chamber of commerce standpoint.

"Drives home its purposes and activities in a way which cannot be done in the press.

"It allows specific and direct personal appeals to be made to the individual member.

"Serves as a check upon the secretary and the board of directors, making both realize their full responsibility to the organization.

"The bulletin serves as an alibi when a member complains that he has not been kept fully informed of activities; he has no come-back if he fails to benefit by the information given.

"The real purpose of a bulletin is to sell the organization to the member and to constantly keep him sold. If only 25 per cent of the membership read it, it is worth while."

In fairness a word should be said regarding the objection to an organization bulletin. It is contended:

"That special reports and pamphlets on specific subjects are far more effective.

"That by the time of issue, bulletin news is stale.

"That they are not read, one city making a test which led to the abandonment of its bulletin.

"That newspaper publicity is better and costs less money.

"That a mimeographed weekly letter is more effective.

### Character of Publication

Assuming that an organization bulletin is worth while, let us now discuss its character. Should it be a chamber of commerce newspaper? A letter from the secretary to the membership? A medium of civic propaganda? A city booster?

Some favor a strictly chamber of commerce publication, contending that the chamber of commerce bulletin should not enter the national magazine field, but fill its own peculiar field, which is not open to any magazine or publication of the general type. Others favor the pretentious magazine. Still others differentiate between the bulletins of large and small organizations—pointing out that the pretentious magazine meets the requirements of the former, while not at all suited to the needs of the smaller organization.

There are those who believe that the bulletin, while maintaining the chamber viewpoint, should serve a broader purpose as a clearing house for general business information and a medium of expression for leaders in current activities, both local and national.

Every organization desires to publish as fine a bulletin as finances will permit; but the bulletin that suits Tulsa, Chicago and Milwaukee would hardly meet the requirements or the

resources of the smaller organizations. No general rule, it seems to me, can be laid down, but it may be said that, in the smaller cities, and many of the large ones, the strictly chamber of commerce house organ remains and will likely continue to remain the prevailing type. In some of the large cities the trend is unmistakably toward the pretentious magazine, a type well exemplified by "Chicago Commerce" and Milwaukee "Civics and Commerce."

### Form, Size and Advertising

A good deal might be said regarding the form, size and makeup. A large number of secretaries favor the newspaper form in type, column and headline. Some bulletins have adopted the two-column form, but a majority favor three columns to the page. I might say, however, that the answers to the questionnaire clearly indicate that the trend is away from the 4x9 and 5x10 and toward the 8½x11 and the 9x12, or larger. Convenience in filing and mailing would seem the chief reason for the popularity of the 8½x11 size.

We now come to the most debatable part of this subject. Does house organ advertising really pay the advertiser, or does he regard it as a donation?

Memphis (Tenn.), Chicago (Ill.), Detroit (Mich.), Kansas City (Mo.), New Orleans (La.), and Boston (Mass.), submit specific proofs that advertising pays the advertiser, alleging that it often comes to them without solicitation and remains; that it is regarded as an investment and not a donation; and enables the organization to pay, or partly pay, for the bulletin.

*Memphis (Tenn.) Chamber of Commerce* submits specific proof that its house organ advertising pays the advertiser by relating the instance of a jobber who had to leave his name off his advertisement because he got so many inquiries from retail buyers for the product he was advertising.

*Boston (Mass.) Chamber of Commerce* says: "Advertising is very frequently received and renewed without solicitation of any kind. The bulletin is used as a medium by many advertising agencies, who buy space without solicitation, and who know, if any do, the intrinsic worth of a publication. Advertisers frequently declare that the ad brings them substantial returns and we believe they are getting full value for every dollar spent. It is our policy to inform advertisers at every opportunity that space is sold solely on the merits of the publication and that no advertisements are accepted that are in any sense donations."

*The Detroit (Mich.) Board of Commerce* states that they have instances every week of direct results from advertising and that the head of a large advertising agency has said that "The Detroider" is "the best medium in the territory for certain classes of things."

*Rochester (N. Y.) Chamber of Commerce* submits a 50-50 report, after stating that the advertisers "let their contracts on the basis of value." One man in the office, of excellent judgment, an old newspaper and advertising



man, claims the advertising is not worth a "whoop." The secretary adds: "Personally, I am inclined to a 50-50 opinion. I am sure that some of the advertisers get their money's worth and some do not."

### Against Advertising

Montgomery (Ala.), New York (N. Y.), and Peoria (Ill.), take vigorous exception to the admission of advertising, claiming that it cheapens the publication, distracts the attention of the reader and takes away from the value of the publication.

Los Angeles (Cal.), Kalamazoo (Mich.), Piqua (Ohio), and Wilmington, (Del.), look upon it as in the nature of a holdup, or at least a donation.

Coatesville (Pa.), and Lawrence (Mass.) state that they cannot in decency ask help in fighting the advertising nuisance if they accept advertising in their monthly bulletins.

New York (N. Y.), Toledo (Ohio), Minneapolis (Minn.), and Fall River (Mass.), fear that the advertiser might wish to dominate the policy of the bulletin and they declare for an absolutely uninfluenced and unobligated opportunity to say what they please.

Bradford (Pa.), Los Angeles (Cal.), Wilmington (Del.), and New York (N. Y.), feel that the members might consider requests to take advertising as in the nature of a request for a special contribution in addition to annual dues.

Dallas (Texas) submits that the entire membership should stand the expense of publishing a bulletin rather than individual contributors.

### Summary

Has advertising in house organs come to stay? Time was that the great magazines of our country did not carry advertisements. It seems strange to think of it today, but up to November, 1870, when "*Scribner's Monthly*" began it, periodical magazines did not print advertising at all. And William W. Ellsworth tells us that he remembers "listening with staring eyes, while Fletcher Harper, the younger, related that he had in the early seventies refused an offer of \$18,000 for the use of the last page of the magazine for a year for an advertisement of the Home Sewing Machine."

It is not necessary for me to attempt to draw any conclusion or give a decision upon this "joint debate" on the question: "Advertising, is it worth while or is it not?" Is it not largely a question of circulation? Do you not think that if any chamber of commerce bulletin will reach the buyers that a given advertiser wants to reach, that publication will be used sooner or later, as has been the case with prominent publications that one time refused to carry advertising?

"Many men, many minds, and not all of the same mind." Will there not always be differences of opinion and, therefore, different policies regarding organization bulletins, their size,

character, contents, etc.; differences due not alone to the personality of their editors, but to local conditions and requirements and to financial resources? It is to be doubted if the time will ever come when one standard will prevail, even a standard for the large city and one for the small.

If the secretary has found his size, make-up, editorial and business policy adapted to his community, then why not let him retain it, even though he may be in a minority? At the same time we must preserve the open mind—we must be always ready to adopt new ideas—and there is no secretary who can afford not to read the publications that come to his desk, for from them he will glean not only information regarding the chamber of commerce movement in this country, but up-to-date ideas for headlines and display.

Few of us realize to the full, as Mead of New York well says, "the opportunity for constructive service on the part of organization house organs." We, as secretaries, are practically in control of a new form of literature. The direction it shall take, the policies it shall promote, in a word its character and its purpose, lies in our hands. We must make our house organ literature serve the highest interest of our organizations, our community, our country.

## Some Dangers of House Organs

By G. W. LEMON

One great factor in sustaining membership is keeping our members informed. This, of course, immediately suggests a discussion of publicity through letter-bulletins, special weekly pages in local newspapers and house organs daily, weekly or monthly. But the whole question of house organs, their frequency of issue, whether advertising should be accepted or not—all this has been given at former conventions. You may find it all, as Kipling says, "in the files." But may I venture a few observations and criticisms upon the *contents* of some of our bulletins. What I am about to say has come to me chiefly from my own experience. I myself have been guilty of some of the very things which I am now criticizing.

Are we hitting the bull's-eye with our house organs? The only excuse we have for spending money on a bulletin is that

it is intended to keep our members informed as to what we have done or are planning to do; to seek to educate the member in the commercial organization idea and to enlist his active cooperation in helping to solve the problems which confront his community. Therefore, a bulletin is primarily *for members only!* What do we sometimes make it? Is it not frequently a collection of more or less interesting photographs, wisdom of sages, humor clipped from the funny columns of newspapers or other bulletins, some "boost stuff" about our city with a few articles which bear *directly* upon our organization?

While thinking over this phase of the question of worth while bulletins I reached for a pile of them lying on a table near my desk. I mention this to show that I did not hunt for examples—they were right at hand. Bulletin "A" contained seven photos of men who had joined the colors and were reporting for active duty. Bulletin "B" gave up one entire page to a letter by a soldier en route descriptive of life on a (slow) military train. Bulletin "C" contained editorials reprinted from the local and from the New York newspapers. Another secretary-editor devoted an entire page of his publication to chronicling "Where they Spent their Vacations." And so one might go on—but I have cited these few examples to illustrate what I mean.

The lure of the "mailing list" has proved too strong for many of us. We have gotten together material, not so much for home consumption as for export. Of course, we salve our editorial conscience by declaring that it is "good publicity for our city" and stuff like that. I believe the problem of membership maintenance will more easily be solved if we use the great power of our house organs for the specific purposes as above outlined.

Second only in importance to house organs as a medium for keeping our members informed, it is often, I fear, a source of danger in the hands of a man who sees only the "story" in a big movement or in a major activity of the chamber. Two things are to be guarded against: First, publicity of the boastful variety, which would have the public think that the *only, useful, worth-while* things emanate *solely* from the chamber of commerce. Second, the personal presentation of every activity, by which I mean that it is a terrible blunder to "give out" news from your office in which your own name constantly appears or



the names of your president, your board or your committee chairmen. There are times when the use of names is not only unavoidable, but essential; but in nine cases out of ten the newspaper story written from the *impersonal* angle will do the most good—and the least harm.

## News Value in Organization Publicity

By H. F. MILLER

I think the most profitable thing we can discuss is organization advertising as distinguished from municipal. Our organization is something like nine years old. We began with ninety-three members. No one believed it would succeed, because similar efforts had failed. Chicago was the worst disorganized town in the country; in fact, we did not have anything approaching a civic organization. We had a number of organizations that had their special place and distinct purpose—any number of them, but none of them were of any great civic value; always had some special thing to perform. But when it came to organization for community interest, the first thing necessary was to arouse a desire on the part of the public to organize. We were handicapped by the fact that some of our biggest institutions did not believe in the idea that towns as big as Chicago or New York should have such organizations; that it was a case of every man for himself; that organization plans were for smaller cities; that commercial organizations in large cities would not succeed. We had to overcome that. The best medium we found was the newspapers, so we organized a publicity committee. That committee was made up of our biggest advertisers. Just as soon as possible we got away from the idea of asking the newspapers for something, that is, going to them and begging for space. Very soon we found that the way to get the space was to trade news for it, and we consider now that the greatest asset of our organization is its news-producing qualities. Our biggest problem is to coin that into practical results. So we began to pick out the news features. We found that it was not sufficient merely to say "we have a story" on a certain subject. We were fortunate in having in the employ of the association some three or four men who had a great deal of experience in newspaper work and advertising, so that

we had the newspaper man's point of view. It developed a new situation, in that, when they found a piece of news, they might exchange it for space. They dressed that news up in newspaper style and sent it over to the city editor. They soon found it was a help underrated rather than overrated, and that it was better to give them a tip in condensed form—only the facts briefly as possible and let the papers play them up in their own way.

### Chicago's News Bureau

So we began to organize what we called the news bureau under the management of a newspaper man. This newspaper man took everything that happened in the daily conduct of the association affairs and tried to make a news story out of it. We kept that up for two years and the news bureau was successful, but it finally became an old story. While we are still conducting a news bureau, we found that the newspapers did not come around to see us as frequently as before, so we gradually switched to some other line. Throughout all of our work we have tried to get the best out of the one great asset of news producing. To bring it down to date, we have 78 sub-divisions in the association. We have classified our memberships in 78 trades and professions. We have the ways and means committee, of which some of you know, which is really the house representatives of the 78 sub-divisions, just as the House at Washington is the representative of the states in the Union. We elect five men from each sub-division each year. Sixty-five men meet once a week and listen to some program. Up to this year these programs are made up on any interesting subject that we can find. Whenever we found a visitor in town from any foreign land whom we thought had a story to tell, we invited him to tell it. Some of the most interesting programs naturally were the result of these meetings. This year we decided to try the publicity feature. So we invited each of the 78 sub-divisions to prepare a story, a newspaper article, on their own line of business. Real estate men write up real estate business in Chicago, and so on. This was done in the office because they could get together to discuss what were the news features of their business. They were asked to tell the story of Chicago real estate in the most interesting phase possible. It was then submitted to the office, where the two or three newspaper men in the office took it and dressed it up again and it was re-writ-

ten, re-edited to suit them, turned over to a body of men called the ways and means council of eleven men, carefully chosen from the 78 sub-divisions, representative of the whole association. They were asked to edit it, write it up again carefully, exclude all questions of politics, etc., and the result was a good story on real estate. So that story, to the extent of say 1,500 words, was read before the ways and means. A good reader was selected to read the story. Copies of that article were sent to every newspaper and to every trade paper in that particular line of business, while one New York paper took these stories by telegraph every Sunday, sometimes printing them in full, and other times paragraphs from them.

### The Creation of News

As the result we have written up nearly one-half of all of our trades in Chicago. This will form a volume at the end of the year. We will continue that until we have gone the rounds of the 78 sub-divisions, and go again until we wear out the subject. As long as we can furnish news, the papers will take it. No matter how dry it may be at first glance, you will find, if it is carefully written, always something interesting. A string of figures that is astounding, or a string of facts that never before were told, if they bear the stamp of association approval, they are regarded as authentic and they are filed in the newspaper offices for future reference, so we found it to be a great publicity "stunt" as we call it. Briefly, out of that system we have received to date some 2,500 articles of daily newspapers—500 columns of news space. And you can figure up what 500 columns of news space would cost you at \$1.00 a line. You will find it runs into good money. I believe the system can be applied in almost any city because every city has its strong points. The newspapers want news. If you give them news, you make them your friends; if you try to get stuff into the newspapers that is not news, you wear out your welcome in the newspaper shop, and if you try to put things over on the city editor you make him an enemy, whether you succeed or whether you fail; in other words, he will have no further use for that particular source of alleged news. If you get the newspaper man's point of view and give him what he wants, it will serve your needs and his.

Now to digress from that particular talk on the newspa-



per man and speak of some of the other things: We never overlook any opportunity to present any association matter to the newspapers that is acceptable to the newspapers as news. We consider a half-inch of space on the first page of a newspaper worth more to us from a publicity standpoint than a half-page of display on an inside page, and the difference is that the half-inch cost you nothing while the half-page cost you \$500. We have never made it a rule to buy display space in the newspaper. We have no rule against it and whenever occasion arises where we believe it will be to our advantage to buy space, we have occasionally done so. On one occasion in a campaign for public improvement, we spent five thousand dollars in one day for newspaper publicity, and we never regretted it, but with that five thousand dollars (it was a page in each of the daily papers), we got columns of newspaper mention which was worth more to us than display. The news cost us nothing and the display cost us \$5,000. I would have much preferred one-tenth of the news mentioned to the display.

## CHAPTER XVI.

### Financing Commercial Organizations

Some of the Problems of Organization Finance

By CARL DEHONEY

Every commercial organization should seek to establish a thoroughly modern and business-like financial department, in charge of a competent man, one skilled in the art of getting money. There are plenty men of ability in other branches of organization work who cannot earn their salt collecting dues from weak-kneed members. There are others who cannot make a speech to an audience, perhaps, but are able to extract money from the biggest knocker in town, or talk the worst backslider into paying admission to the mourner's bench. Such a man, having also a knowledge of businesslike office methods, book-keeping and the like, is an ideal fellow for financial secretary. Money gained by proper conservation of revenues, by realizing every cent possible from membership dues and all incidental sources of income, by discounting bills for prompt payment wherever possible, and by getting interest on organization funds, is just as good, or rather better, than an equal amount of new subscriptions. Such methods invite respect and confidence from business men and make it easier to develop additional organization funds.

The survival of the fittest is a rule of life's battle, and it will be borne out in organization work. All over the United States cities are bubbling over with enthusiasm for work through organization machinery. Commercial bodies have been developed by thousands. The disbursements of these organizations run annually into many millions. Their work, on the whole, is good, and in many ways is splendid. But in too many there is a lack of business methods for conserving revenues, keeping costs systems and cutting down waste. There is as yet no uniform system of accounting. Every organization has its own system. What is publicity in one is industrial work in another, and so on. Comparisons cannot be made with accuracy.

### Budget System

Every commercial organization should thoroughly classify its revenues, know its cost and follow a budget made up at the beginning of the fiscal year as a well regulated municipal or industrial corporation.

The organization that is going to live and do the most good in the future is that organization which seeks to make its financial plan a solid one, that adopts scientific methods in going after revenue and in conducting its business affairs and at the same time seeks to produce lasting and practical results in all branches of its promotion work. We are going to see the passing of much that is only bizarre and ephemeral in organization effort, and we must give such food to enthusiasm that will keep it strong-nerved, steady and fighting on.

The situation in our commercial organizations today in regard to accounting, cost systems, etc., is similar to that which has prevailed in the municipal governments of our cities. It has not been possible in the past to accurately compare the financial reports of any one city with others in its class. Now, thanks to the work of the National Municipal League, the federal government and other agencies, order is beginning to come out of chaos in American municipal finances. I believe one of the things this association could well take up and recommend would be the working out of some plan for standardizing, as far as possible, the accounting and business methods of commercial organizations.

### Sources of Revenue Classified

The revenues of the average commercial body may be said to come from the following classes of men:

1. Those who expect to receive an indirect benefit from increased property values, increased business and other results of good organization work.
2. Those who expect to receive a direct benefit from some specific department, such as a convention bureau, traffic bureau, etc.
3. Those who are interested in the direct benefit from facilities afforded, such as a club house, a grain exchange, etc.
4. Those who contribute entirely from civic patriotism.

It would be seen that the element of self-interest enters in



three out of the four classes, or a great majority. We should remember that self-interest is a different thing from selfishness. The progress of the world has probably been due more to intelligent self-interest than to any other cause.

The ideal organization, therefore, is one appealing to all the classes mentioned. I cannot conceive of a better all-around plan of financing a commercial organization than one which opens sources of profitable revenue from all of these classes. Its basis would be a permanent continuing membership, with annual dues of at least \$25 a year, buttressed by funds raised for special purposes on contracts covering a period of three, four or five years, given by various classes of members directly interested in some department. The board of directors should have power to supplement special funds from the general fund, but money raised for a specific purpose should be spent for that purpose.

#### **Refund Surplus Pro Rata**

Many organizations make a mistake of not being thoroughly honest with their members or subscribers. For instance: A special fund is raised for the entertainment of a particular convention by a committee on which the organization and the local interests affected have representation. There is a small remaining surplus. Somebody moves to have the surplus turned over to the chamber of commerce for its general fund, or diverted elsewhere. This is not right and it is not good organization policy. That money belongs to the subscribers and it should be returned to them pro rata. If more organizations would follow that method they would not have so much trouble raising special funds.

In towns having no live organization, or where the work has been at a low ebb, and it is desirable to organize a new movement, the best plan is the three-year contract. The raising of such a fund insures stability for a period sufficient to show results to procure renewals and lay the basis for permanent income.

#### **Various Methods of Financing**

The subscriber is allowed to indicate the class in which he is willing to be placed for assessment. While this particular plan has not been worked out, it contains the germ of truth which may solve the problem. It opens up interesting possibilities in many directions. Somebody, let us hope, will yet produce a plan to include the holder of larger property inter-

ests in our cities, who have been made rich by the growth of these cities, to more readily realize their self-interest in development work. Up in Saskatoon, where a million-dollar fund was recently raised, I am told that subscriptions of \$20,000 each were made by five young men who had gone to north-western Canada a few years ago and made fortunes in gold investment and increase in land values due to the city's upbuilding. While we can hardly expect many such contributions in older and more conservative centres, what a great work could be accomplished if the men most directly interested, the holders of the real estate, would come nearer doing their part!

## Budgets for Commercial Organizations

By A. HEATH ONTHANK

In these days of efficiency and standardized business practices it is strange, indeed, that organizations composed of the leading business men of the communities should be behind the times in the conduct of their own affairs. It is only recently that any agitation has taken place to bring chambers of commerce to the level of other commercial and industrial enterprises in the administration of their finances. Whether it is because the presumed difficulty connected with the variable work of commercial organizations, or whether it is because these bodies have been so busy remodelling the affairs of the world that they have had no time for their own, it is true, nevertheless, that a great many chambers of commerce, and many of the foremost ones, have made no attempt to plan ahead the expenditure of their income.

Today we hear much about budgets for the federal government and for municipalities. The body politic, at any rate, has become alive to the necessity of a stricter accounting for the methods of disbursing its moneys, and this wave of public opinion seems at last to have reacted on commercial organizations, so that they, the usual makers and leaders of popular sentiment, are now endeavoring to catch up with it in the matter of budgets.

Budget-making is, in essence, no more than forehandedness, a look ahead to future events and contingencies. A business man who sees only a week or month before him has about as much chance of survival as any individual who at present

would trust to the ravens for his sustenance. Why, then, must commercial organizations feel that they are exempt—a class apart from all others?

Chambers of commerce, boards of trade, commercial clubs, or whatever they may be called, have two general fields of activity—short-time projects and long-time enterprises. The former may take only a week, but perhaps a year or more; the latter are certain to be carried through a number of years. In any event, it is clear that there are certain activities which must be carried along from one fiscal year to another, and for the welfare of which a certain amount of pre-planning must be done. Are they to be left alone to pursue their lonely courses in haphazard fashion, or are they to have definite mile-posts to reach each year, helped along by a knowledge that there is a certain amount of monetary fuel which, if judiciously expended, will bring them to their goals?

There are several very obvious advantages of a budgetary system which should be stated at this point.

In the first place, budget making causes, ipso facto, pre-planning. It is quite apparent that if a reason for every expenditure to be made during the forthcoming year must be given at the start of that period, there must be some sort of preconceived ideas concerning future activities. A committee with work just begun must plan the extension or completion of its labors with an eye to every possible eventuality; a bureau or division entering or carrying forward a specific field of undertakings must work out its ways of procedure, their costs, and their limitations. It is entirely unnecessary to point out in detail the beneficial results of such pre-planning on committees, bureaus, and officers.

Secondly, a budget gives to the commercial organization as a whole, a definite basis of action. The officers know what is to be accomplished, know that there is the wherewithal to do so, and are thus free to turn their attention to new plans, administrative work, or emergencies.

Thirdly, through the “pruning” process of the ratification body, the work of each committee or bureau is brought into its proper place in the formation of a well-rounded plan of work for the whole organization. Pressing activities are given a clear track; minor projects are sidetracked when and where necessary. The president who has a “squint” in favor of city



planning is not allowed to dump most of the contents of the treasury into his pet schemes when it is much more urgent that the organization devote all its energies for a short time to a convention. Thus, the budgetary system weighs all plans in the balance, and chooses the most beneficial for immediate emphasis.

It must not be thought, however, that the budget would cause work in most lines to be dropped while the favorite schemes of the moment were being pushed. Per contra, the fourth advantage to be noted is, that while the more important plans are receiving most attention, the others are all being carried along according to a well-conceived plan of development. The budget permits a judicious expenditure of income on the main work, and, at the same time, is nursing the other enterprises along to the point when they shall become the chief activities.

Fifthly, if the budget is well planned, it will provide for emergency actions as well as for preconceived plans.

And sixthly, the financial system of the organization is put on a firm and rational basis of a proper relation of income and expenditure. Insolvency is out of the question and the members are sure that their dollars are being expended in the most beneficial manner.

Any idea that the system of budget making is applicable only to large commercial organizations whose incomes run into the tens of thousands is entirely erroneous. It is true that where large sums of money are involved strict planning and accounting are necessary, but it is no more true for an organization of that sort than it is for a small chamber of commerce, where the money received must be put to the most advantageous use in order to see results of any kind. In either case the advantages as enumerated above accruing from a strict adherence to a system of budgets are potent factors in the successful completion of the functions of the organization.

This report, therefore, will aim to set forth methods of budget-making for commercial organizations which will be applicable to the small as well as the great.

### **Present Systems of Budget-Making in Commercial Organizations**

The information on which this study was made is based on a questionnaire which was sent out to all organizations which

were known to use the budget system, a copy of which is presented herein. (Exhibit A.) From these organizations ninety replies were received, giving results varying widely in their scope of enlightenment. The result has been, however, to shed a broad light upon the differing methods of constructing budgets in these organizations.

#### *A. Income*

A great majority of the commercial organizations from which data were obtained received dues of fixed amounts according to special classes of individuals and firms. The dues varied from nothing at all—in which case the organization was supported by a special city tax—or \$5.00 annually—in the case of organizations whose members paid dues—to as high as \$3,000—in the case of a contributing concern which paid what it believed the services of the commercial organization were worth. Because of the varying sizes and functions of these organizations, it would be misleading to endeavor to find the average or normal rate of dues, since comparability is out of the question.

#### *B. Method of Preparing Budget Estimates.*

Methods of preparing estimates for the annual budget vary widely; there are at least nine different ways in which estimates of the financial needs of organizations come into being. Over one-half of the organizations which replied to the questions concerning the preparation of estimates, however, start the planning of work and approximation of necessary expenditures in the committees or bureaus. The usual routine is for the committee chairman or bureau head to call a meeting of his unit for the purpose of laying down plans and estimating the amounts necessary for their consummation in the coming year. When this is done, it is often the custom for the committee chairman to confer with some higher authority, and in such a case, the higher authority may be the executive secretary, the finance committee, the executive committee, or even the board of directors; practice varies so widely that it is impossible to lay down any general rule for this custom.

The detail with which these estimates are prepared is again widely divergent in the reporting organizations. For the most part, however, the estimate is made out only in a very general fashion; only nineteen out of fifty-three organizations claimed any amount of detail in their estimate. In a great many cases

it is evident that the extent of the estimates is reached when fixed charges of salaries, rent, heat, light, etc., are set down.

Most organizations in constructing their budgets base the estimates on a definite schedule of work for the ensuing year. These are naturally made out on the basis of the work and expenditures of the preceding year, modified by the work which is foreseen for the coming year. These vary from being "more or less" in detail to a rigid and specific schedule of tasks worked out on anticipated proposals and committee or bureau work in process of completion. It is the general custom where such schedules of work are prepared to have them made out by committees, under the supervision of a higher authority, e. g., the secretary, finance committee or board of directors.

### *C. Ratification of Budget Estimates.*

When it comes to ratification of the estimates it is again quite evident that there is one method more popular than any two or three others, viz: ratification by the board of directors. Out of sixty-three organizations answering the questions in this field, twenty-five ratified their budget estimates through the board of directors; fifteen through the finance committee plus the board of directors; eight through the secretary and board of directors; and five by means of all three of the above named agencies. In other words, it may be stated safely that it is general practice for the board of directors to possess the power of finally ratifying the budget.

The board of directors and its subsidiary part, the executive committee, also play the chief roles in controlling the expenditure of budgeted funds. Twenty-seven out of forty-eight organizations thus controlled expenditures, and ten more added the control of the secretary to either control by the board of directors or executive committee.

Over three-quarters of the reporting organizations finance the work of their special committees out of their general funds—the unappropriated surplus after provision for the budget expenditures has been made. Several of these chambers of commerce, however, are very willing to resort to special subscriptions to eke out the general fund, and quite a few rely on this method entirely. But few organizations provide a special fund for financing the work of special committees.

Twenty-six out of sixty-six organizations pleaded guilty



to the possession of a contingent fund, and it is evident that among these twenty-six, the uses for that fund are very divergent. Some use it for emergencies and abnormal, extraordinary expenditures; some for payment of small cash expenses; some as a nest egg; and one even used it as a building fund. Apparently contingent funds are not yet in vogue.

It is almost useless to try to find commercial organizations with special forms of budget accounting or of budget construction. Most of the reporting organizations proudly state that they have the most approved bookkeeping methods and that the voucher system is used, which is not to be marvelled at greatly, considering the character of their memberships.

The conclusions that may be drawn from this questionnaire are that there are many commercial organizations which claim to run on a budget basis, but for the most part their systems are those in name only; and there are many, many more organizations which claim no relation to a budget system whatsoever. It is mainly for the benefit of these latter chambers of commerce that this study of budgets in commercial organizations is being made, and it is with the hope that the conclusions which are set forth herein will help them to realize the need of a budget system, and that the methods proposed will make the road easier, that some attempt is undertaken to throw more light on this important subject.

#### Relation of Budgets to Working Plans

##### A. *Income.*

Very little difference in construction of the budget is made by the fact that an organization has either fixed or variable dues. In either case the income for the future year may be approximated with a large degree of accuracy, and if any uncertainty is felt it is easy to slightly underestimate the income. It is advisable to study the past records of deaths, resignations, and members dropped for non-payment of dues, in order to find the rate of mortality in the membership. One organization is said to write off 10 per cent of the income of its membership each year. This figure, with an estimate of new members each year, derived from a similar study of the records, should give a fairly accurate approximation of income to be derived from members during the forthcoming year. The same procedure should be followed in estimating the income from bureaus, divisions and miscellaneous sources.

This estimation of the income is a matter for consideration by the finance committee. It would be well, if the general secretary and the treasurer are not members of this committee, to have them sit with it when estimates of income are being prepared.

### *B. Preparation of Estimates.*

Since the committees or bureaus are the chief means of accomplishing the work of the commercial organization, it is only natural that they should be the bodies which prepare the schedules of work for the coming year, and estimate the money needed to carry out that work. For this reason the primary construction of budget estimates and schedules of work should be left to the committees and bureaus.

At this point it is advisable to impress upon all commercial organizations the need and desirability of having a definite schedule of work for each bureau and committee. In the first place, the projects which are being carried over from year to year require constant attention in order that they may be brought to consummation in the shortest practicable time. If a certain date be set for the completion of each part of the work and adhered to as closely as possible, it is much more probable that the work will be accomplished smoothly and directly, rather than in jerks and starts, if it is left to personal inclinations. Furthermore, a small portion of a committee working steadily on one part of a general scheme of work leaves the remainder of the committee free to take up emergency work or new work started during the year. All this can best be accomplished by making out a complete schedule of work, on a time basis, if necessary, and keeping certain sub-divisions of the committee or bureau steadily at work until that particular job is accomplished.

About a month before the beginning of the fiscal year, the chairman of the finance committee should address a letter to the chairmen of all standing committees, special committees holding over into the next year, and bureaus, requesting them to submit before a certain date, a plan of work for the coming year and an estimate of the amount of funds which will probably be required for the completion of this schedule of work. Included with this request should be a list showing (1) estimates for past year in detail; (2) expenditures for past year in detail; (3) and a place for estimates for the coming year.

The chairmen of the committees or bureaus should immediately call meetings of their bodies to consider the work to be done during the next year, and the amount of money necessary. These estimates should be worked out in as great detail as possible, by considering under each project proposed as an activity any and all causes of expenditure connected therewith, and any contingency which may possibly occur. These estimated expenditures should not be thrown together in a lump sum; it is very necessary for the guidance of the finance committee and board of directors that as many items as possible be classified and divided up. A standard form, for bureaus, at least, would be advantageous.

When the estimates have been completed, they should be sent at once to the chairman of the finance committee—the chairman of committees and bureaus retaining a copy of their estimates for their own use. As soon as practicable after the date fixed by the finance committee for the submission of estimates, the chairman of the finance committee should call a joint meeting of the finance committee and of all the chairmen of committees and bureaus which have submitted estimates. It would be wise for the general secretary and treasurer to attend this meeting. The finance committee has meanwhile, as stated above, worked out an approximate statement of the income of the organization for the ensuing year. The committee and bureau chairmen should then be requested to state explicitly their plan of work for the coming year, the estimated funds necessary, the importance of any or all parts of this work, and reasons why it should be carried through. The secretary of the finance committee, should, of course, note down these facts in full.

This process of joint conference of chairmen and finance committee has several very important results. In the first place, all the cards are laid on the table. Each chairman sees what other committees are doing and what his own is doing in comparison. All the chairmen get a knowledge of the work of the organization as a whole, and of the place of their own committees in such work. It is a very educational proceeding. Secondly, it should stir up a spirit of emulation among committee chairmen; not a race as to which can spend most money, but, if the finance committee handles the situation well, a contest as to which chairman will have the most beneficial and



most substantial plan of work and can make his dollars go farthest. Thirdly, it allows the finance committee to compare the ability of different chairmen and committees.

In order that the committee and bureau chairmen may then understand the financial position of the organization, the chairman of the finance committee should also make a report on the estimated income, and the probable policy to be pursued during the coming year. In this way the committee chairmen may see exactly where they stand, and whether their requests for funds are too liberal or must be cut down. This idea of laying all the cards upon the table, or blue sky proceedings, seems to be the best possible method of securing harmonious action, and is strongly recommended.

### *C. Ratification of Estimates.*

Having secured the plan of work of each committee and bureau, the estimated funds necessary to carry out that work, and the reasons therefor, the finance committee is now in a position to proceed with its function of culling out the more important projects for emphasis, pruning the estimates, and fitting expenditures to income. This should be done, of course, with great care, and with due consideration of several factors:

- (1) The necessity of providing for fixed charges and fixed operating expenses;
- (2) The necessity of emphasizing the most important functions;
- (3) The desirability of completing certain projects immediately;
- (4) The necessity of carrying along many minor undertakings;
- (5) The necessity of providing an adequate reserve for emergencies and special committees;
- (6) The necessity of absolute impartiality.

It seems best for the finance committee to be the chief ratifying body, doing its work so thoroughly that the other ratifying body, the board of directors, shall have little to do but set its stamp of approval on the work of the first named committee. For this reason it is again preferable for the general secretary and treasurer to sit with the finance committee. This body should have the privilege of calling in for further conference any or all of the committee or bureau chairmen, for more detailed explanations.

When the work of the finance committee has been completed, the budget should be turned over to the board of directors for final approval. If the budget has been made out in detail, as should be the case, the work of the directors should be easy, and the budget as submitted by the finance committee should be ratified practically unchanged.

In order that the continuity of committee and bureau work shall be assured from year to year, and that past expenditures may be properly coordinated with future estimates, it is highly advantageous and practically essential that one or two members of each committee or bureau hold over on that body from year to year.

#### *D. Contingent Fund.*

It has been stated that a budget system, properly conducted, provides for emergencies as well as fixed future projects, and that it is the function of the finance committee to provide for these contingencies. This is done through appropriating a "contingent fund."

The contingent fund is the elastic element of the budget system. One objection to a budget for a commercial organization is that such a body must be free to throw the weight and force of its funds where it will, or into any hole in the dike which may suddenly occur. Such an objection is not valid in case a contingent fund is provided. It is the very purpose of such a fund to provide money to meet emergencies, abnormal situations, and extraordinary activities. It is not a nest egg, an untouchable surplus, a building fund; it is a safety valve.

Where such contingent funds have been provided, the custom has been to make them about ten per cent of the total income. This percentage must not vary with certain situations; it should be larger if estimates are only in very general detail, or if the organization is in such a position that emergencies are not extraordinary, but normal; proper plans of work, however, ought to care for such variations. The contingent fund may be smaller in cases of organizations where emergencies are rare, or the income is small and is all needed for regular work.

Ordinary common sense and plain forehandedness, however, demand the establishment of some sort of a contingent fund in budget systems; and for the general run of commer-

cial organizations, ten per cent of the total income is a sufficient amount.

### *E. Special Committee Appropriations.*

It is generally the case that during the course of any year one or more special committees are appointed which need a certain amount of financing. Naturally, their money cannot come out of the budgeted funds, for the committees provided for need their own allowances, and because the budget cannot be varied at every new change of the weather. How then are these special committees to be financed?

Immediately after appointment of such a committee the general secretary should call it together, and should plan out with it its schedule of work, with the necessary expenses, known and estimated. The committee chairman should then confer with the finance committee which should carefully consider all items as set forth above, and make out a budget for this special committee. This budget estimate should be referred to the executive committee for ratification, thus ensuring a quicker and easier result.

The money for financing these special committees should be drawn from the unappropriated surplus of the total income. It is the province of the finance committee in making out the budget to allow enough unappropriated funds besides the contingent fund to provide for expenditures of special committees, to keep the organization solvent and to have a surplus. The activities of commercial organizations are so divergent, and their needs so variable that it is impossible to set down a stated percentage or fixed amount of the total income which should be left unappropriated. This must be determined on the basis of past experience modified by future demands and with an eye to safety and conservatism in the conduct of financial operations.

### **Control of the Expenditure of Budgeted Funds**

To restrict the expenditure of budgeted funds by committees and bureaus would be unwise as tending to hinder the smooth workings of these bodies. Some check must be set, however, upon too liberal expenditures and upon expenditures without any great *raison d'être*. A simple yet potent control should be exercised, such as the following:

The committee chairman should be required to certify all



vouchers chargeable against the appropriation to his committee, and the voucher should then be referred to the finance committee for approval. The latter should have the power to advise with the committees with a view to the wise expenditure of the funds appropriated. The general secretary should report all unusual conditions to the executive committee, which must be consulted before a large or unusual expenditure may be made, even when within the appropriations. The finance committee in conjunction with the board of directors should have the power to revise any appropriations during the year, if necessary.

### Budget Accounting

There are several forms necessary in budget bookkeeping and accounting, all of which will be found as appendices. The general system may be explained as follows:

An account is opened on the ledger for each of the committees, bureaus, or divisions having an appropriation, to which expenditures of the committee are charged when the bill is incurred rather than when it is presented for payment. This allows each committee to know the exact status of its finances at all times, even though bills may not have been paid at the time the entry is made.

At the first of every month two sets of sheets are made out, one for the finance committee, the other for each committee or bureau. A statement of the entire appropriations and expenditures should be submitted to the finance committee at its first meeting of each month.

Also a detailed statement of the appropriation, expenditures and balance should be made out for each committee and sent to the committee chairman. This keeps each committee aware of what it may count upon for the remainder of the year, and aids in judicious expenditure of its appropriation.

## EXHIBIT A

### Questions on Methods of Budget-Making

1. Are the dues of the organization
  - (a) Fixed?
  - (b) On a sliding scale?
2. What is their range?
3. How are the estimates for the next year prepared?
  - (a) By each committee or bureau?
  - (b) By each committee chairman?
  - (c) Any other way?

4. In how much detail are these estimates?
5. Are these estimates based on a specific schedule of work for the coming year?
6. If so, how is this schedule prepared?
7. How are the estimates ratified,
  - (a) By the secretary?
  - (b) By the finance committee?
  - (c) By the board of directors?
8. Who controls the expenditure of the budgeted funds, and how?
9. How is the work of special committees financed?
10. Is there a contingent fund?
11. If so, how is it made up, and for what items does it allow?
12. Are any special forms of accounting used, and if so, what are they?
13. Please enclose any forms used in making up the budget.

## Organization Costs and Results

By GEORGE W. GILLETTE

The data which I am about to present were derived from an examination of 62 questionnaires, in general very fully and intelligently filled out, together with a few letters furnishing at least a part of the information requested. These data cover commercial and civic organizations in nineteen cities of more than 100,000 population, and 43 cities whose populations vary from 100,000 to 5,000.

As to most of the matters in which the opinions of secretaries have been secured, there is a divergence of view, but I will be able to present in few instances some convincing consensus of opinion.

### Membership and Income as Related to Population

While the amount of dues of any organization must largely affect the size of its membership, a comparison of city population with association membership, without regard to dues, is still significant of the interest existing in any community in the work of its commercial organization. Out of reports from 61 cities it is found that the average membership constitutes 1.5 per cent of population. The largest membership per cent of any population is 8.5 per cent, which exists in Minot, North Dakota, where the dues of the Minot Association of Commerce are of one class, namely \$12.00. The second largest is in Oil City, Pennsylvania, having 19,600 inhabitants, where the Oil City Chamber of Commerce, with graded dues of from \$2 to \$100, has a membership of 1,400. The Greater Dayton Associa-

tion, in a city of 132,000, has 7,000 memberships, whose dues are \$5 each, the per cent of membership being 5.2. In few cities of over 100,000 considered, does the per cent of membership reach the average of 1.5 per cent.

In considering income as related to population, income only from dues, contributions, and the dues or fees of departments or divisions of work other than cafes performing a special service, has been considered. In other words, income from investments, cafe service, and special enterprises, such as exhibits, industrial funds, etc., has been disregarded, the purpose being to arrive at the amount contributed by communities to the general permanent work of the respective organizations dependent upon them for support.

On this basis, from reports on 61 cities, the average amount contributed per each inhabitant to the city's chief commercial and civic organization is found to be 25 cents. The highest per capita financial support reported was in the city of Alliance, Nebraska, where, with a city population of 5,100, the Alliance Commercial Club has an annual general income of \$5,100, or at the rate of \$1 per inhabitant. The second largest per capita is found in Minot, North Dakota, where the Minot Association of Commerce has an annual general income of \$10,000, or 98 cents per inhabitant.

A list of the other cities, arranged in order, indicates that the largest cities do not generally fall in any one class, but that the results are mixed; some large cities and some small ones being near the top, and other large and small cities being near the bottom.

The Tucson, Arizona, Chamber of Commerce reports an unusual plan of finance. Under a state statute, enacted through this chamber's influence, a general tax levy of one-twentieth of one per cent is made, producing a fund which is spent for advertising and publicity in aid of the city. Under a provision of the state constitution, similar to that of most states, taxing districts are not allowed to turn over funds or loan credit to organizations. Therefore, in Tucson, the city manager, one councilman and three of the chamber's directors, constitute a commission which handles the fund upon the recommendation of the chamber.

It has proved impossible to secure complete enough financial statements to classify the per cents of total general outlay



devoted to various items of administration expense. Perhaps the most important element of overhead cost, however, was obtainable. Fifty cities reported the per cent of total general expenditure devoted to salaries and wages. The average per cent thus derived is 41, the highest in any case being 80, and the lowest nineteen. The high figure occurs in a city having a population of slightly more than 50,000, and the lowest in a city of 20,000.

### Value of Cafe Service

Twelve of the organizations interrogated report the maintenance of cafes. These are: The Indianapolis Chamber of Commerce, Indianapolis Board of Trade; Washington, Pennsylvania, Board of Trade; Elyria, Ohio, Chamber of Commerce; Grand Rapids Association of Commerce; Minot Association of Commerce; Duluth Commercial Club; Rochester, New York, Chamber of Commerce; Sioux City Commercial Club; Binghamton, New York, Chamber of Commerce; Cedar Rapids Commercial Club.

In most of these cities cafes are conducted with a slight profit, or at least no loss. The daily attendance of members at luncheon reported, is from a maximum of 200 to a minimum of fifteen in a small city, the average being about 125. The per cent of members attending, at least as often as weekly, averaging about 25.

All of the organizations maintaining cafes report this feature to be of great value. These expressions are used: "highest asset," "great value," "very beneficial," "invaluable," "inestimable value," "no club complete without," "indispensable," etc.

In almost every organization which maintains this feature, few committee meetings are reported held elsewhere than in the cafe at the luncheon hour.

The secretaries of most of these organizations report that a substantial annual appropriation for the maintenance of cafe service over and above income, if necessary, would be warranted, the Rochester, New York, Chamber of Commerce stating that \$5,000 a year would thus be well invested. Sioux City, \$1,000 to \$1,500; Binghamton, \$1,000. Only one secretary can be quoted as stating that the service would not be warranted unless self-supporting.

My questionnaire called for an expression of opinion of the

abstract value of cafe service to a commercial organization. A number of associations who now conduct no restaurant believe the adjunct of value, only three expressing a contrary opinion.

#### Expense of Membership Work and Loss From Unpaid Dues

I endeavored to secure the per cent of total general expense devoted by chambers, boards and clubs to solicitation of new members; collection of dues and the entertainment of members. Twenty-five secretaries furnished figures covering the item first mentioned. From this information it appears that an average of 2.28 per cent of general outlay was expended by the organizations reporting, on the solicitation of new members, excluding the cost of elaborate campaigns. The highest per cent reported was eleven, and the lowest none.

In a similar way, out of 34 organizations reporting, the average expense in the collection of dues is 2.7, the highest being fifteen per cent, and the lowest none.

Of 34 organizations reporting, the average per cent of total outlay devoted to the entertainment of members is 2.97, the highest being 9.75 per cent, and the lowest none.

Forty-one replies were received in answer to the question, "What was the per cent of loss of total income from dues uncollected by you in the latest fiscal year?" The average of these replies is 8.2 per cent, the largest being twenty per cent, and the lowest less than one-third of one per cent. This last quite remarkable showing was made by the Rochester, New York, Chamber of Commerce.

In reply to the query, "What per cent of loss would you consider fair to charge off in a normal year?" the average was eight per cent, the highest figure given in any one answer being 25 per cent, and the lowest one-half of one per cent.

#### Budget

In order to determine how generally prevalent is the budget plan of estimating expenses in advance, and making appropriations for the conduct of organizations on the basis of such estimate, data were secured from 52 secretaries. Of the organizations represented by them, 28 use the budget plan. Twenty-six report budgets prepared annually, one semi-annually, and one quarterly.

Twenty-four report not using the budget. Believing it will be of interest, as showing a division of opinion with a weight

of very respectable authority on either side, the names of the associations which, in the conduct of their finances, do and do not prepare budgets, are given. Those who do are: Fargo Commercial Club; Kalamazoo Chamber of Commerce; Madison Board of Commerce; St. Paul Association of Commerce; Utica Chamber of Commerce; Cincinnati Chamber of Commerce; Chicago Association of Commerce; Owensboro, Kentucky, Chamber of Commerce; Chattanooga Chamber of Commerce; Columbia, South Carolina, Chamber of Commerce; Commercial Club of Duluth; Charleston, South Carolina, Chamber of Commerce; Rochester, N. Y., Chamber of Commerce; Greater Dayton Association; Lawrence, Mass., Chamber of Commerce; Alton, Ill., Board of Trade; Washington, Pa., Board of Trade; Alliance, Neb., Commercial Club; Kewanee, Ill., Civic Club; Commercial Club of Kansas City; Bluefield, West Va., Chamber of Commerce; Springfield, Mass., Board of Trade; Erie, Pa., Board of Commerce, and the Columbus Chamber of Commerce.

Those who do not: Merchants' Association of New York; Philadelphia Chamber of Commerce; Wilkes-Barre Chamber of Commerce; Peoria Association of Commerce; Terre Haute Chamber of Commerce; Indianapolis Chamber of Commerce; Minot, North Dakota, Association of Commerce; Fairmont, West Va., Chamber of Commerce; LaFayette Chamber of Commerce; Greensboro, North Carolina, Chamber of Commerce; Rochester, Minn., Commercial Club; Olean, New York, Chamber of Commerce; York, Pa., Chamber of Commerce; Joliet, Ill., Association of Commerce; Kankakee, Ill., Commercial Association; Haverhill, Mass., Board of Trade; Clarksburg, West Va., Board of Trade; Akron Chamber of Commerce; Elyria, Ohio, Chamber of Commerce; Sterling and Rock Falls, Ill., Commercial Club; Binghamton Chamber of Commerce; Rockford, Ill., Chamber of Commerce; New Brunswick, N. J., Board of Trade, and Cedar Rapids, Iowa, Commercial Club.

Somewhat diffidently, I venture to offer an expression of personal opinion in this matter. Where the budget plan is used, I advocate the desirability of preparing, as does the Columbus Chamber of Commerce, budgets as often as quarterly. This custom makes it possible to foresee and take into account many expenditures which could not be considered on a yearly budget plan, and permits a very close scrutiny of ex-



penditures which I have found, from my own experience, results in substantial and proper saving. In addition, the frequent recurrence of the process of budget making keeps finances constantly in mind, and renders the process of making estimates much less onerous than it would otherwise be. I am also confident that it makes a comparison of estimated and actual expenses from month to month much more accurate and significant.

### Expediency of a Surplus

Two years ago I visited some of the leading organizations of the country. In one city I learned that its commercial and civic organization was accumulating, out of an income substantially in excess of its needs, a handsome surplus. This made a deep impression upon me. Shortly afterward I spoke of it to one of the officers of this association, a man whose opinion is widely respected.

His comment was that the accumulation of a surplus tended to make an organization independent, and in danger of failing to respond to the desires of its members. He indicated that the healthiest condition for any association was that in which no income should be received in excess of needed expenditures, or, in other words, it was best to feel the need of making good according to the wishes of the members from year to year, and thereby to secure from them, currently, the needed funds.

Having this situation in view, I included in my inquiry blank these questions—"Have you accumulated a surplus?" "Do you feel that there is a danger of any organization tending to become too independent in case it has a substantial income from investments?"

In reply to these questions, sixteen secretaries reported the accumulation of more or less substantial surpluses. Thirty-eight replies were received to the request for opinion. Of these, 30 stated that in their judgment there was little or no danger of independence or unresponsiveness due to the accumulation of a surplus, provided an organization's affairs were wisely managed. Seven stated that they deemed it unwise to have an endowment, and in one answer the possibility was recognized without an expression of opinion.

Among the replies, the following are interesting: Mr. Howard Strong, of the Minneapolis Civic and Commerce Asso-

ciation, says, "There is probably little danger of an organization without an endowment becoming financially independent."

Mr. Denis F. Howe, of the Utica Chamber of Commerce, says, "It is as bad for an organization as for a government to have a surplus. You are better off if set a hot pace in financial matters."

Mr. Bruce Kennedy, of the Montgomery, Alabama, Chamber of Commerce, says that the danger of independence from an endowment is very real, and that his organization aims never to have one.

Many of the gentlemen reporting no surplus express a conviction of the desirability of building up one, and express the intention of doing so in the future.

The weight of the testimony is decidedly against the existence of a danger in saving and laying aside a balance.

### The Ways and Means Plan

In order to test the value of the so-called "ways and means" form of organization, I sought to ascertain how many bodies maintained ways and means committees or membership councils, as they are now more generally called; an opinion as to the value of the plan, what per cent of divisions were active where the plan was used; whether, in the judgment of the men interrogated, the plan was valuable for a large organization, for a small one, and whether it was recommended for any new organization. Out of 55 replies received, the use of the plan in seventeen organizations was reported, and in 38 its non-use.

The use of the term "ways and means committee" was, in many instances, objected to as a misnomer, as to me it seems to be. In many instances the name "membership council" is used. In one instance, "public affairs committee," and another, "committee of a hundred."

Secretaries of seventeen organizations employing the plan, in all except two cases, testify that it is valuable. Mr. Miller, of Chicago, says: "We do not believe that the plan could fail of success if carefully worked out in a large or small organization."

Mr. Weller, of Erie Board of Commerce: "Decisions based on the action of our membership council have been well sustained by public opinion."

Mr. Foss, of Springfield (Mass.) Board of Trade: "A

comparison of the period since we had such a committee with that before the committee was formed proves its worth invaluable."

Mr. Hackett, of Rochester (Minn.) Commercial Club, says. "Most important."

Mr. Ketchum, of Washington (Pa.) Board of Trade, says: "Of inestimable value—is our initiative and referendum body, open to the public for kicks and suggestions, and a good 'buffer' for the secretary and the organization."

The other organizations in which the plan is used and commended are: Merchants' Association of New York; Madison Board of Commerce; Peoria Association of Commerce; Montgomery Chamber of Commerce; Kansas City Commercial Club; Grand Rapids Association of Commerce; Commercial Club of Duluth; Alton, Illinois, Board of Trade.

Twenty-seven of those not using the plan express no opinion of its value. Five of them condemn the plan, some of their comments being as follows: "The board of directors should prevail;" "The plan might cause friction;" "The value is questionable;" "Erects barrier between the directors and the membership;" "Very poor, as usually carried on; wastes much valuable time, is not required." Two organizations who do not use the plan have tried it, found it wanting, and given it up. Five who do not have the plan believe in it, and expect to form membership councils.

Of the seventeen organizations reporting as using this plan, ten reported on the per cent of divisions active. Four say all are active, one says nearly all, and another "all in a way;" one says 98 per cent, another 80 per cent, another 76 per cent, and another 50 per cent.

Ten of the secretaries believe it valuable for both large and small organizations. Seven are of the opinion that it is of substantially less value for a small than for a large organization, the reason, of course, being that with few members it is less difficult to preserve contact. Seven of the secretaries who do not use the plan say it is valuable for large, but not so valuable for small associations. Out of all those replying, seventeen would recommend the plan for new organizations in general, and eight would not.

Mr. Ernest H. Rowe, of the Jersey City Chamber of Commerce, says he believes the plan a transitional expedient, and



that we have not yet found the best permanent plan to interest members.

Mr. Lewis, of the Indianapolis Chamber of Commerce: "Of some value. The Indianapolis Commercial Club tried out the plan with considerable success, but interest languished."

Mr. Strong, of Minneapolis: "A sort of fifth wheel; useful, perhaps, when it is difficult to keep in close contact with the entire membership."

Mr. Shafer, of the Bluefield (West Virginia) Chamber of Commerce, suggests that organizations in small cities "have ways and means committee as executive committee, the latter formed from heads of five to seven departments."

In so far as the experience and opinions of the 55 organizations covered by this questionnaire are concerned, the desirability of the ways and means plan for large organizations is unquestionably upheld. As to small organizations the question is not settled.

### Importance of the Civic and Social as Contrasted with the Commercial and Industrial

In my preparation I sought to secure as precise and significant data as possible, dealing with the tendency which I believe exists to place a growing emphasis on the civic and social interests of communities as contrasted with the commercial and industrial. Forty-one correspondents definitely answered the question, "Does your organization spend more money in civic and social or in commercial and industrial?" In 21 cases commercial and industrial enterprises have been favored in financial outlay. In nine, civic; in two, civic and social, and in nine, the material and spiritual were equally supported.

In reply to the question, "In which of these fields has your organization accomplished most for your community?" fourteen replied commercial and industrial, thirteen civic and social, and thirteen both about equally.

Seventeen secretaries reported a larger interest on the part of members in commercial and industrial; seven in civic and social, and seventeen in both about equally.

This question was asked: "In an ideal organization, which do you consider more important, the civic and social or the commercial and industrial, and why?" Eighteen replies advocated a balance in which both should be about equally support-

ed. Fifteen definitely say that the greater emphasis should be put upon the civic and social. Four only, bespeak a first place for the commercial and industrial. Five insist that the social should have no consideration, but should be left to independent bodies with purely social aims.

It must not be forgotten that among the organizations interrogated there is a difference in history, structure, and condition with reference to other associations existing in their respective communities. It follows that the comparison of views, while interesting, is conclusive only in one respect, namely: there is a growing opinion that in an ideal organization, the civic and social should be at least as important as the commercial and industrial, and the tendency is to make it of even more importance.

### Advertising Media

For anyone who has definite and convincing ideas of the value, both absolute and relative, of various advertising media for any purpose, I have always had a very high respect. I have always had a great interest in advertising as an abstract subject. I have never yet had called to my attention a single instance in which more than a few persons, out of many concerned, could reach an agreement on a question of this kind, where the answer did not lie upon the surface.

Believing also that this question was one of practical interest in general to commercial secretaries, I raised certain questions about the value of advertising media, the answers to which, I hoped, might result in drawing and recording, for your benefit, at least a few definite conclusions. In this hope I have been disappointed. There may, however, be something of enlightenment in the following data:

Of something over 40 organizations who were good enough to reply to my query on this subject, 27 stated that they did no advertising at all. These 27 include pretty generally the larger cities of the list. The others, that is to say, some fifteen or twenty, and very generally organizations in smaller cities, reported having spent small amounts, in no case, except one, exceeding \$500, on advertising of various kinds.

Twenty-seven report that their newspapers donate no display advertising space. In fifteen cities newspapers do give such space. These cities are Fairmont, West Virginia; Fargo, N. D.; Madison, Wis.; Cincinnati and Youngstown, Ohio; Joli-

et, Ill.; Rhinelander, Wis.; Washington, Pa.; Kankakee, Ill.; Haverhill, Mass.; Alliance, Neb.; Indianapolis, Ind.; Owensboro, Ky.; Jacksonville and Rockford, Ill.

Thirty-three secretaries were kind enough to express their opinions as to the best advertising medium for industrial development purposes. Nine favored trade journals; seven, metropolitan newspapers; eight, news stories, which, of course, are not advertising at all, but none the less interesting as suggestions; eight, direct communications or negotiation, and one, traveling salesmen.

This question was submitted: "Briefly, what is your opinion of the value of newspaper advertising for commercial organization purposes?" While the question is so general that no great value attaches to the answers, it may be interesting to know that out of 34 replies, eighteen definitely recommended the medium with such expressions as "best available," "good," "great value," "best," "invaluable," "good for campaigns," etc. Sixteen denied this value, using such expressions as "n. g.," "darned little," "slight," "negligible," etc.

In an attempted comparison of the value of bill boards, trade papers, display space in general magazines, signs, and street car placards, the following results were obtained: Bill boards, eleven say good, eight say no or little good, three fair, eight do not know, one "varies according to organization."

Trade papers: One best, fifteen good, six fair, two no good.

General magazine: One best, five good, four fair, eleven no good.

Signs: Seventeen good, seven no good, one small.

Street car placards: Nine good, eight fair, seven no good or very questionable.

I sought to secure information concerning trade or other boards or associations organized as part of commercial bodies, and having authority in matters affecting their own trade interests. From the data secured it appears that out of 52 replies, 25 organizations report having no such subsidiary organizations. The others, 27 in number, carry on various trade and other activities in this way. Seventeen secretaries report retail merchants' boards. Other activities commonly mentioned are: Traffic, wholesalers and jobbers; farm bureaus; retail grocers; manufacturers; builders and contractors; bureaus of municipal research; ad clubs, etc.



## CHAPTER XVII.

### Meetings

#### When to Hold and How to Conduct Meetings

By H. V. EVA

The question of meetings—when to hold them, how to conduct them, how best to dispose of the business—is one that confronts every commercial organization.

The organization without good meetings—that is meetings attended by a representative percentage of the membership of the organization or committee—is unable to do effective work. Secretaries who have grappled with the task of increasing attendance at meetings know the difficulties evolved. I am going to give you my own experience—that is the experience of the Commercial Club of Duluth.

Like most commercial organizations ours started on the basis of pure democracy. The constitution and by-laws provide for a monthly meeting of the club and also an annual meeting. Also in providing for meetings on call of the president in this method we encountered the difficulties other organizations have met. The attendance was not satisfactory. Too much business came up and subjects were turned into unsystematic discussion. Meetings ran too late and attendance diminished in consequence. Committees were appointed as subjects came up requiring committee attention. The personnel of the committees dealing with related subjects varied, and lack of stability was the result. Meetings began to lose effectiveness. We couldn't seem "to do business" as it should be done. We saw that a change had to be made.

The change was made and it brought representative government. In the large commercial organizations, as in the nation, pure democracy has proved unwieldy. Manifestly the people—the voters of Duluth or of Omaha—could not be gathered together every week to discuss legislative matters and to adopt resolutions and ordinances. Confusion would result. In a lesser degree the same confusion arises in a commercial organization of 500 or 1,500 or 2,500 members. The confusion

destroys efficiency. The commercial organization is a public institution. It deals with questions of public interest. Usually they are of such a nature that all men are not familiar with them—with their causes and effects. Almost every question that arises requires investigation and study. Investigation and study through the club meeting are not possible. A smaller body, less unwieldy and less impulsive is necessary though it should be representative of and impowered to speak for the whole club. To solve the problem of efficiency at meetings, we found that three elements were needed—system in organization, fidelity to duties, and stability in committees. We have all three.

### The Public Affairs Committee

The public business of the Commercial Club of Duluth is now conducted through a public affairs committee. The first committee appointed about nine years ago, consisted of 40 members. It was increased year by year until now it numbers 150. The chairman of the public affairs committee is named by the president of the club, who is elected by the members. The president also names the members of the committee, without making any designation as to sub-committee duties. After the list is furnished, the chairman assigns the members to sub-committees with reference to their fitness for dealing with the particular subjects to which they are assigned. For instance, our committee on agriculture is made up of men who have spent their lives in furthering the agricultural development of the country around Duluth. Our committee on retail cooperation consists of men prominent in the retail trade. Our educational committee takes in the President of the State Normal School and the superintendent of the city schools in addition to other men interested in educational matters. So it goes through the list. The harbors and waterways committee is composed of men familiar with the harbor and with harbor matters. Every sub-committee is appointed with reference to the qualifications of the men for dealing intelligently with subjects that may be assigned to them.

The public affairs committee as a whole meets once each month on the call of the chairman. We try to have these meetings regularly so that the members may get into the habit of attending. Furthermore, we have them at 6:15 in the evening and they open with dinner. Men are able to go to the meeting

right from their business, without going home first and having the excuse of being disinclined to leave home after once getting there.

The business of the club is done through sub-committees. The meeting of the whole public affairs committee is held only that all may keep in touch with what each sub-committee is doing. The sub-committees report in order. Questions on which there is need for an expression of the whole committee are presented in the form of recommendations. There is no "gag rule." Any man may talk on any subject. The meetings are open to all members of the club and even to the citizens generally should they care to attend. Our experience has been that the whole committee, representative of the club, is usually satisfied with the recommendation of a sub-committee. They know the members of the sub-committees; know that no report is made except on a firm basis of knowledge, and are satisfied to uphold the position of the sub-committee. I say usually, for, of course, there are occasions when the sub-committee clashes with the views of other members of the whole committee, but the clashes are much fewer than they would be were subjects brought before the club in half-baked form without investigation or study.

### Sub-Committee Meetings

The sub-committees meet on the call of their chairman. The frequency of the meetings depends largely upon the nature of the committee, the season of the year and the subjects up for its consideration. I have known committees to meet daily for a week when pressing subjects were before them. Also I have known committees to go some months without a meeting, but they are very few. We try to have the sub-committees hold one or two meetings a month, anyway, for the sub-committees initiate work as well as accept other work by reference from the public affairs committee.

We find it best to hold the sub-committee meetings at the noon hour, the meetings taking the form of a luncheon. In that way the members of the committee do not lose any time from their business as usually they lunch at the club daily and the luncheon meeting takes but very little more time than luncheon alone.

At the monthly meeting of the public affairs committee we try to have the work done so that the meeting will be over in



time for the members to go home at a reasonable hour, and very often the meeting is over in time to attend the theaters.

At each meeting of a sub-committee either the secretary, assistant secretary or some other member of the club staff is present and minutes are faithfully kept. In that way there is no unsystematic losing of subjects or doubt about previous action. There is a docket kept for the whole public affairs committee. Every subject goes on the docket, its reference is noted, its progress followed and we know just what is being done in every line of work in which the club is interested. The sub-committee that fails to attend to a subject referred to is promptly called to account if no report is made at the monthly meeting.

There you have the systematic organization. There may be imperfections in the organization, but they are not such as to make us dissatisfied with the whole. I believe we have as efficient, as simple and as thorough an organization as one could wish for in a city of the size of ours. It is a business-like organization, evolved in line with the needs and conveniences of the busy business men who make up the organization.

### The Question of Attendance

The question of obtaining attendance at meetings has been solved, although it was a long, hard pull. In the first place we have hammered away on the idea that every man owes a little of his time and ability to public service, and service is obtained mainly on that basis. We have made every effort to meet the convenience of the members. We have furthermore created a note of personal interest by naming on committees men who have some special interest in the subjects likely to be assigned. We arouse his interest through his business or through his hobby and when a man is really interested in the public work he is called upon to do, the chances are that he will attend to it.

Then we have the example. The biggest business men in Duluth are on our committees and are the most faithful and active workers. In fact it is usually true that the man of larger affairs has more public spirit than the man of small affairs. However, that may be the example of a group of men who have faithfully served the public through the commercial club for many years and it has been a great aid to us in obtaining service and attention to the work of our club.

Speaking from my own personal experience, I think a mistake is made in attempting to conduct the entire business of a big commercial organization through the general club meeting. It is easier to get a representative attendance of a committee of 150 members than it is to obtain a good representation of our members of 1,200 at regular meetings. And when action is taken by any gathering that is not representative of the organization, such action loses much of its effect through that fact.

### Where the Real Work Should Be Done

I would advise that meetings be not burdened up with business. As many matters should be disposed of by sub-committees as possible. When meetings run too late, interest lags, care is not exercised and injudicious action is often taken. The interests of our club, and I think it is true of most clubs in cities of the size of Duluth, are too numerous and too complex for every member of the club to be in touch with the intimate details of each. There is where the sub-committee acts as a great aid. We have sub-committees on agriculture, building trades, city history, city planning, educational cooperation, finance, good roads, harbors and waterways, homecrofting, industrial, legal aid, legislation, municipal, neighborhood clubs, parks and playgrounds, publicity and statistics, public health, remedial loan association, retail cooperation, smoke prevention, state and county cooperation, summer attractions, street improvement, trade extension, traffic, taxation and wholesale cooperation, besides an executive committee and an advisory committee. Manifestly it would be impossible for the members of the public affairs committee to keep in touch with every minute detail of the work done by these sub-committees if the members of the whole committee were called upon to do so; the club would soon lose much of its efficiency and influence.

As stated, our constitution provides for one yearly meeting of the whole membership of the club. The annual meeting is held on the evening of the club election day, and we usually have a good attendance. That is no doubt aided by the interest in the results of the election, as we always have more candidates for directors than there are places to be filled.

The annual election provides a splendid opportunity of getting the club's work before the members in concise form in reports. However, the public affairs committee meetings are

our business meetings. The fact that they are open to all the membership of the club, robs them of what might be objectionable exclusiveness; they serve the same purpose as the club meeting, but they have many times the efficiency.

I believe each club should settle the matter of meetings for itself. Conditions vary and they must be met with a knowledge of the local situation. In some cities the noon meeting is impracticable. In other cities night meetings fail to draw crowds. Each club must study its own needs and experience. There is only one general rule that may be applied in all cases. If you are not satisfied with your present system, you should seek for something better. The club without good live meetings, rich in results of benefits to the community, is not doing the work that should be done by a live commercial organization.

## Committee Technique

### Conservation of Committee Energy

By S. CHRISTY MEAD

The modern commercial organization, whether of larger or smaller dimensions, is the expression in commercial community affairs of the operation of the law of cooperation and co-ordination of effort on the part of individual units for greater efficiency in the accomplishment of results beneficial to the community. The operation of such an organization calls into play an influence of peculiar potency, pregnant with great possibilities for the future development of the community in which it is located.

Power, however, when permitted to run uncontrolled may produce incalculable harm, while merely partial control or mis-control of power results in a waste of valuable energy which is injurious to the community in the proportion in which that waste is permitted.

The question of proper control and direction of this energy, and of the conservation of the human resources from which that energy springs, is the most important problem in connection with the conduct of commercial organization work. The solution of that problem should be such as to produce the maximum of results with the minimum of demands upon the time and energy of the members, officers and staff of an organization,



whereby the greatest degree of efficiency with the least possible loss of energy and motion shall be secured.

I know of no subject, therefore, more important for study and consideration on the part of the secretary or administrative officer than that of conserving this energy and thereby magnifying this efficiency.

### The Secretary's Function

It is his function primarily, to suggest to his organization the proper steps for this conservation. His suggestion will be heeded, however, largely in proportion to the effectiveness with which he has applied this principle of conservation to himself and to the conduct of the work which falls under his immediate and personal jurisdiction, whether it is performed by himself individually, or through the medium of paid assistants of a larger or smaller number. Therefore, the application of the principle of conservation, from the secretary's standpoint, should be made, in the first instance, to himself and the conduct of his own work.

He should have a complete comprehension of the nature of his duties and of the problems in the community in which he is serving, in order that he may be able to determine how best to plan for the conservation of the time and energy of himself and his employees in performing that work, and to provide for the greatest possible volume of effective operations within a given time. Systematization of office methods, coupled with such a clear comprehension of the task and of the specific problems arising from time to time, is his prime duty, first to himself, second, to his profession, and, third, to the organization which he serves.

But the secretary and his paid organization merely constitute machinery through which the organization itself is working. They are the tools of the members composing the organization, and the secretary who fails to realize this fact and conduct his work accordingly stands in his own light and fails to live up to the standards of his profession. It is not my purpose here to dwell in further detail upon the application of the principle of conservation by the secretary to his own mental processes and to the conduct of his own technical work, because in one important phase after another such application is being discussed in various papers presented by my contemporaries.

### Source of Energy

The vital source of energy in any organization resides in its membership and not in its paid staff. The ability to conserve that energy and to utilize it for his organization with the greatest degree of effectiveness and with a minimum of demand upon the time of the business men who constitute the membership is the most valuable single asset which any secretary may possess.

The main channel through which potential energy stored in the membership reservoir may be rendered active and effective is through the committees of the organization, and I, therefore, purpose to discuss somewhat in detail my conception of some methods of applying the principle of conservation to committee energy.

Two observations should be made as a preliminary to the discussion of the subject:

1. The limitations imposed upon the secretary through inadequate financial and consequent mechanical assistance will require the modification of any ideal or perfect plan of committee operation so as to fit it within the confines of the limitation in any particular instance. The ability of the secretary to adapt the principles to the limitations of a specific case is one of the tests of his qualifications.

2. Each individual differs in his personality from each other individual. Committees are merely aggregates of individuals, and, therefore, the composite personality presented by one committee differs from the composite personality presented by another committee. The application of a plan to conserve committee energies should take this fact into consideration, and any principles of conserving committee energy, in their application, should conform or be moulded to the personality of each separate committee.

### Conditions Precedent

The conservation of committee energy is predicated upon the assumption that that energy exists and can be made available. This presumes certain conditions conducive to energy and its conservation.

First and foremost among these conditions is the fact that the committee must be working in and as a part of a general organization which, in its method of structure and operation,

is effective in accomplishing results for its community, based upon the recommendations which the committee has presented as a result of its painstaking care in study and investigation.

Effectiveness of the organization in achieving results, and thereby crystallizing into actuality the recommendations of a given committee for the permanent benefit of the commerce, industry, or welfare of the community, greatly stimulates the interest, activity and energy of the business men who are serving, without compensation, upon the committee.

Conversely, ineffectiveness in doing things and accomplishing results cannot fail to discourage the members of the committee, and thereby to destroy its energy beyond any power of conservation on the part of the secretary or administrative officer. The reward for the effort which the committeeman puts forth lies chiefly in the accomplishment of that which he has recommended.

A second condition precedent to the conservation of committee energy relates to the composition of the committee itself, and depends upon the selection of the most efficient and competent members available.

Every committee should be made up primarily of business men of general intelligence, sound judgment and general experience, and should include among its members some with special knowledge of, and special experience in, the subjects falling under the jurisdiction of the committee. It is always helpful that there should be among the members of the given committee at least one man representing each of the parties affected by the subject falling under the committee's jurisdiction, but it is always better that there should be a preponderance of disinterested businessmen.

The advantage to be gained by this practice lies in the fact that all phases of the subject are insured careful consideration in the deliberations of the committee with the result that the recommendations finally decided upon are made in view of the rights of all parties concerned. It is much better to have these conflicting rights thoroughly considered in committee deliberations rather than to have them first come to attention after the report of the committee has been rendered and is before the governing body for final consideration and action.

But above all, it is necessary that every committee should be made up of men of broad mind who will test all proposed



recommendations by the principle of a square deal; or in other words, men who will always conscientiously endeavor to obtain a satisfactory answer to the question, "What is right and fair for all parties concerned?"

A third condition precedent to the conservation of committee energy lies in the selection of proper bases of committee jurisdiction. This jurisdiction should rest upon principles and subjects—not upon business or geographical interests. But whatever the basis of committee jurisdiction may be, it should be so clearly defined that each committee may comprehend the field for which it is responsible in its investigation, so that conflict of jurisdiction between different committees of the same organization may be avoided.

Jurisdiction based upon interests, either business or geographical, almost inevitably leads to emphasis of selfish motives, and to the effort—perhaps unconscious, but nevertheless present—to attain results through the activities of the organization for the benefit of the particular interest which the committeemen represent.

Committee energy and efficiency also bear a close relationship to the question of length of term of committee membership. There are two practices in vogue in this matter: the first providing for a short, fixed term, and the second for a continuing, indefinite term.

The reason ordinarily advanced for the use of the short, fixed term is that thereby a greater number of members of an organization may be brought into active work, and that the interest of the membership in the organization and its support is correspondingly increased.

It is fundamentally true that a man takes an interest in any movement in proportion to what he puts into it in time, effort or money, and yet the average business man hardly equips himself to become most useful to his organization as a member of a committee before he has served upon that committee for one or two years.

From the membership standpoint alone, this short term plan may have some merit, but from the standpoint of efficiency and the conservation of the energy of a committee, the plan of a continuing, indefinite term seems to be much more desirable.

By this latter process, the members of a given committee, the jurisdiction of which is predicated upon principles and sub-

jects, gradually become technically educated in respect to those subjects with the result that the organization is, after a while, equipped with a committee of disinterested experts, serving without compensation. The continuity of term also preserves continuity of the work of the committee and insures consistency in its successive recommendations relative to the same subject.

### Facilities for Committee Work

Most of the work of committees is done in committee meetings. Experience differs as to the method of holding such meetings. In some organizations committee meetings are held at stated intervals, while in other organizations such meetings are held from time to time, as the subject falling under its jurisdiction becomes active. The meetings under this plan are called under order from the chairman.

It seems to me that the plan of stated regular meetings possesses certain disadvantages which do not pertain to the plan of holding meetings subject to call. If the committee's jurisdiction is predicated upon principles and subjects, the matters falling within that jurisdiction do not provide a steady and continuous flow of work, with the result that at times the subjects will be very active and at other times, for some intervals, the subjects will practically be dormant.

The operation of the plan of stated regular meetings, irrespective of the activity of the subjects falling under the committee's jurisdiction, seems to be conducive to loss of energy in two respects; first, in the secretary and his office staff, because every meeting held or postponed entails time and expense in the office machinery, and second, and more important, in the members of the committee, by unnecessarily consuming their time and attention. The member of a committee is presumed to be a man actively engaged, and more or less engrossed, in the conduct of his own personal business affairs. Consequently, any demand upon his time in connection with the committee meeting, where the subject to be considered is not of really serious importance, is an unnecessary sacrifice of time on his part. The unnecessary consumption of his time is sure to discourage him, and, therefore, to reduce his contribution of energy to the committee, and at the same time to reduce the contribution of energy on the part of every other member of the committee.

When, however, committee meetings are not held at stated intervals, but are subject to call as the importance and activity of the subject matter under the jurisdiction of the committee may warrant, the office work and expense is reduced to a minimum, the time and energy of the committeeman is conserved, and his interest and effectiveness stimulated.

Under the operation of the plan of meetings subject to call, the day and hour of the committee meeting should be selected to meet the greatest convenience of the greatest number of members on the committee.

Similarly, the place of meeting should be adapted to the convenience of the committee in order to obtain the greatest amount of interest and energy on the part of the committeemen. Preferably, every meeting of each committee should be held in the headquarters of the organization. It is helpful, both to the members of the staff and to the membership of the association, to have a maximum number of members visiting the headquarters on association business as frequently as possible. If it is inconvenient for a given committee to meet in the headquarters of the association some other place should be selected, provided a greater degree of interest and activity on the part of the members of the committee may be insured thereby.

In connection with the effective deliberation of the committee, the character and efficiency of the special assistance is most important. In the first place, there must be committee secretarial work. Whether this is done by the general secretary of the organization or by some assistant delegated to serve the particular committee, he should be a man of keen intelligence in regard to the subjects falling under the jurisdiction of his committee, and must be accurate and efficient in preparing preliminaries, in tactfully facilitating deliberations, in collating the results thereof, in formulating, if instructed, clear, concise and convincing reports and recommendations, in keeping records and minutes of committee meetings, and in realizing that he is the instrument of, and not the dictator to, his committee.

To be efficient, he should be tactful, self-respecting, and at all times alert in keeping watch over the subjects falling under the jurisdiction of the committee and in advising the chairman when those subjects require committee deliberation at a meeting.



Another form of assistance from the staff which is very effective in stimulating and conserving committee energy consists in carefully preparing a digest, or analysis, of the subjects to be considered at the committee meeting, which digest best serves its purpose when sent to each member of the committee for his information before the time of the committee's deliberations.

This plan requires a skill and ability on the part of the secretary far greater than required for the mere mechanical recording duties, but the operation of this plan excites the committeeman's interest, tends to clarify his ideas, facilitates the orderly conduct of the committee's deliberations when in session, conserves the member's time, tends to increase attendance at committee meetings, and is conducive to concentration of thought and to sound conclusions on the part of the committee.

The committees being composed of business men, most of whom have not the time even if they have the training for analytical or research work, it is most important that upon many subjects some machinery should be provided through which analytical or research work may be conducted which will supply a fact basis upon which the judgment of the committee may be exercised and its conclusions may rest. Some of the larger organizations are able to equip themselves with technical members of the staff to perform this service for the various committees. Many organizations are not able so to equip themselves and the duty either to do that work himself or to obtain the cooperation of some public-spirited expert, then devolves upon the secretary, although in some instances the chairman or a member of the committee will undertake this rather arduous work. By whomever this work is done it must be accurate and comprehensive in order that the committee's judgment may be sound and its conclusions may commend themselves to the governing body and to the community which its organization is serving. This character of research work for the committees should deal essentially and exclusively with facts, and should be free from personal opinion or personal bias.

In dealing with subjects of a technical character, it is from time to time important that technical expert assistance to the committee should be provided. Where the financial resources of the institution permit, this expert assistance may be retained and paid for, but where the financial resources will not permit,

then again an opportunity for important service opens to the secretary.

In addition to these fundamental methods of assistance to the committee, there is, of course, to be expected such stenographic and clerical service as may be needed or as the facilities and financial limitations of the institution may afford.

### Methods of Committee Work

The primary function of a committee is to investigate a subject of importance pertaining to its field of jurisdiction and, based upon the facts and conclusions drawn therefrom, to make recommendations to the governing body as to what should be the attitude of the organization upon the question of principle or policy involved.

Through the instrumentality of the digest of the subject sent in advance of the meeting, and through the results of analytical research work made for or by the committee, its deliberations can best be concluded through a process whereby each member of the committee individually studies and reflects upon the material prepared, so as to insure on his part a comprehension of the subject, a sense of its relation with other subjects, and an understanding of the effect of any given line of action to be recommended.

If the matter is one of wide interest a very valuable assistance to the committee arises from the holding of committee hearings at an announced day and hour, at which the members of the organization or the business men affected may have an opportunity to narrate their experiences, express their opinions, and declare their individual recommendations.

From the information thus obtained by the two steps already mentioned, the committee then has a basis for mature and intelligent discussion of the subject at an executive session, after which the committee will arrive at conclusions, and then, either themselves or through their secretary, will formulate an analysis of the facts and a statement of their recommendations into a report to be presented for the consideration of the governing body of the organization.

The operation of the committee hearing is not only beneficial to the committee itself, but it also has a very stimulating effect upon the entire membership of the organization. It is, therefore, an excellent plan to foster as much as possible the holding of such committee hearings.

But in addition to the investigative and recommendative functions of the committee, it has a secondary duty of an administrative nature. After its report and recommendations have been considered by the governing body, and the attitude of the organization to the subject in question has thereby been determined, it becomes the duty of the organization to endeavor to accomplish the result thus found to be desirable or necessary.

The modern commercial organization is formed primarily for the purpose of accomplishing results in the improvement of business conditions and welfare of the community and in raising the standards of business morality and ethics. The earlier stage of committee work concerning any subject is, in that sense, a preliminary stage, while the latter stage of endeavoring to give effect to the conclusions reached is the final and more important stage.

Herein lies the secondary, or administrative, usefulness of the committee. Many of the subjects of committee consideration have to do with legislation, others with the conduct of municipal affairs, as they relate to commerce and industry, and others with trade practices.

In all these matters the accomplishment of the results determined to be desirable is insured only by cooperation. In this connection, the committee, with its full knowledge of the subject derived from careful study and deliberation which it has given thereto, is usually best equipped to present the matter in hand to legislative committees and to other business men in the community.

The opportunity for the secretary, as chief administrative officer, to marshal and utilize these forces for the accomplishment of results is one of the greatest opportunities which comes to him. His ability to grasp such opportunities and crystallize them into actualities to a very considerable extent measures the degree of his usefulness to his organization and to his community.

### Conclusion

#### Summary—Conservation of Committee Energies

##### 1. Conditions Precedent.

A. A general organization effective for accomplishing results after committee recommendations have been adopted.

1. Effectiveness stimulates interest, activity and energy in committee-men.



2. Ineffectiveness discourages and thereby decreases efficiency in committeemen.
- B. Effectiveness in Selecting Committeemen.
  1. Men of general intelligence.
  2. Men of sound judgment.
  3. Men of general experience.
  4. Business men of special knowledge of subject.
  5. Business men of special experience in the subject.
  6. Men who represent various parties affected by the subject, with a preponderance, however, of disinterested business men.
  7. Men who will test all recommendations by the principle of a square deal, or, in other words, by what is right and fair for all parties concerned.
- C. Basis of Committee Jurisdiction.
  1. Jurisdiction should be clearly defined.
  2. Jurisdiction should be based on subjects and principles.
  3. Jurisdiction should not be based on interests.
- D. Term of Committee Membership.
  1. Short fixed term.
    - (a) From standpoint of membership interest short fixed term has some advantages.
    - (b) From standpoint of committee efficiency short term is undesirable.
  2. Continuing indefinite term.
    - (a) Committeemen become trained experts in subject-matter.
    - (b) Preserves continuity of committee work.
2. Facilities for Committee Work.
  - A. Meetings.
    1. Stated regular.
      - (a) Entails unnecessary office work and expense.
      - (b) Consumes committeemen's time unnecessarily.
      - (c) Tends to discourage interest and therefore reduces committee energy.
    2. Subject to call.
      - (a) Meetings should be called only when matters of importance require attention and justify consumption of time of committeemen.
      - (b) Reduces office work and expense.
      - (c) Conserves time and energy of committeemen.
      - (d) Stimulates interest and energy.
    3. Time of meetings.
      - (a) Day and hour of greatest convenience to committee members.
    4. Place of meetings.
      - (a) Preferably in organization headquarters.
      - (b) Other place if greater convenience of committeemen is served thereby.
  - B. Staff Assistance.
    1. Committee secretary.
      - (a) Intelligent in regard to his committee subjects.
      - (b) Accurate and efficient.
        1. In preparing preliminaries;
        2. In tactfully facilitating committee deliberations;
        3. In collating results of committee deliberations;
        4. In formulating, if instructed, clear, concise and convincing reports and recommendations;

5. In realizing that he is the instrument of and not the dictator to his committee; and
6. In keeping records and minutes of committee meetings.
- (c) Tactful.
- (d) Self-respecting.
- (e) Alert in advising chairman when subjects require meetings.
2. Digest of subjects of meetings to accompany notices.
- (a) Excites interest.
- (b) Increases attendance.
- (c) Facilitates orderly conduct of deliberations.
- (d) Conserves time.
- (e) Conducive to concentration and sound conclusions.
3. Analytical or research work to supply basis of *fact* upon which judgment may rest.
- (a) Accurate;
- (b) Comprehensive;
- (c) Concise; and
- (d) Free from personal opinions or bias.
4. Employment of technical experts as needed.
5. Stenographic and clerical assistance as needed.
3. Methods of Committee Work.
- A. Primary or investigative.
1. Personal study and reflection by each committeeman.
2. Committee hearings.
3. Committee discussion at executive session.
4. Committee conclusion.
5. Committee report to governing body.
- B. Secondary or administrative.
1. In assisting to accomplish results after committee recommendation has been adopted and has become the fixed policy of the organization.
- (a) Securing cooperation of other business men.
- (b) Writing personal letters.
- (c) Appearance before legislative committees, etc.

## Staff Relations With Members

### Stimulating the Organization Machinery

By JOHN M. TUTHER

Just as far as it is possible, the directing force—the working force of the organization—should be made up of as many of its members as can be given something to do. There should be a democracy in the efforts of the commercial organization. Those in charge of its affairs can do no better thing than to devote a very large part of their thought in planning how to bring into its various undertakings just as many of its members as can be begged, dragged, shamed, cajoled or drafted into its service. To retain their interest, we must depend upon as-

signing them to work on something in which they are interested, or in which there is good reason to believe they may become interested. Of course, all the members cannot be brought in, perhaps not even a majority of them. There will always be the merely contributing member, and I am far from minimizing the useful part these cheerful non-working members play. It is amazing, though, even to those who have opportunity to observe, the gratifying number of men who have a desire, or a willingness at least, to get into the chamber of commerce work in some manner or other.

### Element of Enthusiasm

Those in charge of the organization work must learn how to deal with enthusiasm. They must acquaint themselves with the hobbies and the manner of thought of a large part of the members, so that when one of them brings his enthusiasm and his strength and his talent to the organization, he may be helped to gather around him other members whose enthusiasm runs along the same lines as his and whose tastes are similar. Then this little group of willing men can be given the sanction and the blessing of the whole organization, armed and equipped and sent forth to do the sort of work they are interested in. They can then have the comforting knowledge that the conveniences and the assistance, which a well conducted organization has, is at their disposal. They can have the assurance, moreover, that back of them in all of their worthy work is the full endorsement and the strength of the whole organization. This group then becomes a part of the machinery, a part of stimulated machinery—an auto-stimulated part of the machinery.

One of the elementary things in the effective stimulation of the commercial organization, is the proper dealing with the enthusiasm of its members. It is the bounden duty of a commercial organization to hold itself so that it can use the individual enthusiasm and the hobbies of its members. It is the wrong policy for a commercial organization to lay down a program of work in cold blood and adhere to that to the exclusion of all else. There should be a program of some sort. Each year the organization should set out to do a few big things and these things held to until they are done. Its policy should be so formed, its machinery should be so regulated, it should so adapt



itself that it can take to itself and give cohesion and shape and force to an almost unlimited number of public services.

Nothing gives more enthusiasm and therefore stimulation to the membership than the spectacle of a well working, result-getting committee, or division, or bureau—call it what you will, doing things, pleasing themselves because they are engaged in something they delight in doing, edifying others, enthusing others, stimulating others to the good and happiness and uplift of all their fellow members. And more than this, attracting those who are not members to come in and do their part.

### Do Not Withhold Applause

When a committee has completed its task and its members are not averse to newspaper publicity, or rather like it—a good many of them do—the sagacious secretary just must not make the ghastly blunder of withholding the applause from those who deserve it. And on the other hand, those rarer members who do things and who do not let their right hand know what their left hand doeth, those should be shielded from the publicity which is really distasteful to them. Make not the mistake, I beg of you, of confusing these two distinct classes.

The working members of this organization—and the success or failure of the organization itself depends almost entirely upon the proportion of its members who are working members—should be provided with every comfort and convenience for doing their work. Those in charge of committees, bureaus, and so forth, must not be unmindful of the little things that big men so often set so much store by. The committee rooms should be quiet, inaccessible to the loafer and the bore. The clerk of the committee should be tactful and quiet, and competent and pleasing. Care should be taken, too, that the busy men of these committees can be reached from their own places of business quickly and conveniently. I have known the work of some bureaus and committees to actually fail and become wholly ineffective, and the committee fall to pieces, because the men who were giving their time to some activity of the organization could not feel quite sure that in case of need they could be reached quickly and surely from their own places of business.

A thing to be avoided, a practice all too common, is that of taking up of subscriptions at either general meetings or

committee meetings. Nothing so dampens enthusiasm, nothing should be so unmistakably tabooed. Say what one will of the liberality of the members of certain committees; say what you will as to the spontaneous character of donations, it certainly does take the run out of many a good worker and it prevents many a member from attending his committee meetings if he thinks there is a likelihood even of being called upon to pay money. Not all of them are that way, of course, thank heaven for that, but many of them are, and it ought to be understood, thoroughly and unmistakably understood, that except for the committees appointed for the specific purpose of raising money, no member of any committee or any bureau or any board should suggest that those present at any meeting chip in for anything at any time for any purpose anywhere.

### A Genial Committee Spirit

Experience has shown that there are some committees, like a membership committee, for example, in whose deliberations a certain amount of pleasantry may be introduced with a good stimulating effect. I have in mind a membership committee which, having been appointed, of course, for the purpose of holding the membership, not only does the work for which it was created but has its meetings so enjoyable—they are held fortnightly—that instead of a mere committee of 25 there are in attendance as the invited guests of the members more than 100. They have a quartette, which, with more or less spontaneity breaks into song at the proper time—I nearly said the psychological moment, but didn't. Their meetings are looked forward to with genuine pleasure by its members and those who are invited to attend. They not only hold the membership but steadily increase it. Its chairman, of course, is a rare character, a man full of a desire to serve, a helpful, cheering, successful man, with a good liver and a pleasant smile and a hopeful view of every situation that comes up. The meetings of his committee are affairs of importance and of great sociability and delight—functions of good will and good fellowship and other good things. Stories are told and songs are sung and experiences are recounted and celebrities are entertained, and all the time members are secured, the powers of the organization are enlarged, the strength of its machinery is increased and everybody connected with the work is pleased.

Frequent meetings of the full membership are after all

the most powerful and yet the most simple of all the stimuli yet discovered for the commercial organization. Nothing in my judgment will so conduce to promote the necessary pride in membership, the sense of being a part of the organization, as frequent opportunity to take part in its deliberations. It acts like magic sometimes on a membership whose interest is beginning to wane, to hear, not merely read, what has been done by the commercial organization. I know of nothing more inspiring than to hear the chairman of some active committee—not the secretary, however gifted and eloquent the secretary may really be, but to hear the chairman relate to the full membership what he and his associates did in achieving some definite result. It amounts to, indeed it is, the rendering of a report of a finished up and complete job. Membership meetings where advice and criticisms are asked from anybody present; where misapprehensions—and there are so many misapprehensions in this work—may be set right, are not the least of the good results which come from the town meeting idea of commercial organizations.

### The Man from the Outside

Bringing experts outside of the membership, preferably from a distance, to address the members on some of the phases of the work in which they are engaged, is highly stimulating and beneficial. Indeed, this particular sort of stimulation is well recognized. It is regarded by those who know, as one of the most useful means of arousing interest in the work of the chamber of commerce. The necessity for this sort of stimulation is well recognized by other bodies and has been used for centuries by the Catholics in their Missions and the Protestants in their revivals. The skilled expert who comes from a distance, who brings a message, who knows what he has to say and says it, has more weight as a general thing than the local man even though he speak with the tongues of men and of angels. So, the secretary with understanding will encourage rather than throw cold water on the suggestion to engage outside efficiency experts to stimulate and instruct. If he has not already had the experience, he will learn that such visitations are good, not only for the members but for the staff of the organization. He will learn, if he does not already know, that with rare exceptions a visiting expert is of tremendous value to him; that most of them are kindly and well disposed



and skilled and that they are moved by a desire to encourage and help and make easy the thorny path of the secretary. There should be no little feeling of jealousy or of fear on the part of a secretary not quite sure of himself that some of his directors or members who may be unfriendly to him, may make invidious comparisons and draw uncomplimentary conclusions.

He who feareth his own job is an unhappy man and verily he standeth a good chance of losing the same. And then some of these self-styled experts are really very inexpert. Not infrequently their theories wilt under the strong sun of practical experience. That secretary, therefore, who has stood against unwise plans which are unwise notwithstanding they may be advocated by the experts, will be all the stronger with his members and directors. So, these experts bona fide and bogus are useful and as one who has seen both kinds, I say, may their sturdy tribe increase!

### Affability and Good Humor

Ordinary cheerfulness on the part of the secretary is powerfully stimulating. Now, I don't mean that a secretary should be too darned pleasant. Certainly not of the writhing Uriah Heep, hand-wringing sort. I mean just an affable, good-humored attitude of mind on the part of the secretary. Difficult though it may be, however, the able-headed secretary must cultivate and get it and keep it and have it on display. Cheerfulness, pleasantness, a sustained sympathetic attitude and tactfulness, especially for those who may be rather objectionable and whose ideas are visionary and whose personality may be displeasing. Just ordinary good-natured cheerfulness, that is one of the surest ways of stimulating the machinery. Praise to subordinates when they need it; not when they need it either, but when they deserve it. Public recognition before committees and general meetings of the excellence of some particular piece of work, of some one over whom a secretary has authority. An absence from jealousy or small-souled envy. These things contribute to stimulating and strengthening the work of the machinery. Thoughtfulness, kindness, a shrinking from humiliating others or hurting others' feelings; all of these qualifications work to make the performance of the duties of the secretary pleasantly stimulating to most of those with whom he comes in contact.

# Office Administration

## The Technique of Organization Administration

By ROBERT WADSWORTH

The answers to a list of questions sent to a hundred and fifty secretaries, several of whom replied, form the basis of this paper.

It is assumed that we want more than a tabulation of replies; if from the number of responses to each question, *one* method can be selected, which for use in our organization seems *most* practicable and *most* advanced, we want that. Acquaintance with other methods is incidental.

I have been strongly of the opinion that the discussion of these points is sure to be unproductive if some one does not select and defend those methods which seem to him to be the most advanced and helpful; so these arbitrary opinions are given with the hope of stimulating the subsequent discussion, in order that, so far as possible, it may be conclusive.

The questions are here repeated and considered in order:

### General Questions

Do you make up, at the beginning of the year, a specific program of work? (a) For the entire organization? (b) For the main committees? If so, please describe briefly the method of determining it.

While it is agreed that a considerable number of special activities cannot be planned in advance, yet, with the increase in demand for efficiency, our organizations, like city administrations, are being submitted to business tests under recognized standards of measurements. One such test is its program of work. The commercial organization usually has not followed a definite program, but, opportunist-like, has scattered its energies according to the whims of its officers. Having no formally determined aim, there was lack of concentration, and a consequent failure to arrive at any previously determined place at any predetermined time; for an organization, like an individual, has just about so much time, energy and ability, and must conserve it and apply it with care.

A program of work, covering at least the major activities, is being introduced in a growing number of organizations, judging from responses.

In arriving at the program, the principle of maintaining the interest of supporters by soliciting their counsel is applied. By various devices each member is asked to state what he believes the organization should undertake as of first importance during the ensuing year. Replies, tabulated, after eliminating the petty and visionary, are approved in principle by the board of directors, who, through their constituents, have then adopted a platform for their term in office. This constitutes the major activities of the year, the guide for the entire organization, although there are always unforeseen opportunities for service.

Previous to the initial meeting of each committee, to which the various planks in the platform have been assigned (and the aim is not to have any committees which do not have work to do, and to make each committee have in mind as definitely as possible the work which it has to do), the secretary outlines a committee program; specific as to task, general as to method, which briefly sets forth the complete job of the committee, and, so far as possible, suggests the line of action. This is revised, in conference with the chairman. It is then the task of the committee to review and adopt this program. It is the sole subject of discussion at the initial meeting, and until adopted. Each committee is then expected to progress in accordance with a schedule or calendar agreed to when it starts work, the various calendars being consolidated by the secretary of one New England organization into a so-called "master calendar," of which there are two copies, each corrected up to date. One is in the secretary's charge, and the other in the possession of the president. This shows what is due on any particular date.

Not only is a definite goal established, which is necessary to maximum accomplishment, but, more important, the officers learn what hopes are closest to the individual member, which helps to bridge that gap, which all secretaries realize is too wide, between the officers and members at large. Further, the very act of writing down and sending in a suggestion, like the act of electing a board of directors, gives the member an added sense of participation and identification with the affairs of his organization—an attitude of which we all know the value.

### The Use of Charts

Is the plan of your organization charted? If so, will you give the different uses to which chart is put?



This question, I believe, was not precise enough. There are two kinds of charts; the large size, for wall use, on which is recorded committee meetings, steps of progress, and the task in prospect, all of which visualizes to its members the advance of the organization, and stimulates each committeeman to keep his own stride up to the pace.

But the chart referred to is the one which shows the anatomy of the organization, and the question meant particularly to bring out the use that is made of them. Less than ten organizations make use of such a chart, although more have them. These are mainly in the very large cities, where a means of bringing about a better understanding by the members of the working machinery of the organization is relatively more of a problem. Among those organizations not using charts, the leading reason is the fear that the machine and the running of the wheels will play too important a part in the activities of the office staff, that the mechanism will be considered as the end rather than the means. We all realize that if the chart is to be of most help, it must have some propulsive force.

One organization's chart not only has some flesh on its bones, but a suit of clothes. This chart is a salesman. The common form of ruled box for each unit is used. In addition to its name, however, is printed in each box, in extremely condensed form, the accomplishments of that committee, and its claim to support or at least appreciation. Two examples are given:

#### SOLICITING SCHEMES

The Department of Soliciting Schemes continues its work of reporting on solicitations for whatever purpose—philanthropy—bazaars—entertainments—war relief—peace propoganda—special editions—advertising—business directories—year books and magazines. It is estimated that this Department saves the business men of Cleveland \$50,000 annually.

#### PUBLIC SAFETY

This committee, which was instrumental in securing Cleveland's system of high pressure mains and the high pressure pumping station, has been gathering further data in regard to protection from fire in the Cleveland public schools.

I imagine the initial meeting of this organization's membership committee is devoted to a lecture on this chart and its significance. The chart has the visualizing advantage that all others have, because it shows the organization's structure, but it is also first aid to the membership solicitor.

Another organization exploits its chart among members, affiliated organizations, the city government, and the general public, to remind them of the facilities which it offers for working out community problems, which they cannot work out alone. This organization has found it of great value, preventing duplication of community energy and money.

### Form of Reports

What in general is included in your annual report? (a) Do you think the tendency is toward a more condensed form? (b) Toward a more graphic form?

With few exceptions, replies indicate the tendency to condense. In a few more years the common annual report may be without a copy of the solemnly adopted constitution and by-laws.

Granted that, so far as members are concerned, the organization's accomplishments are its dividends, and must be exploited to the greatest possible advantage, if general interest is to be retained; granted that the annual report in which committee work is described in considerable detail is used only as a reference work; granted that some account of an organization's activities is desirable, but that with few exceptions, the news in it is read only when fresh, why should not the activities of the organization be reported monthly? Public interest is a great deal more liable to absorb them. Accomplishments can be related more elaborately so that the yearly report need be only the briefest review of the larger work, for detail of which reference is made to the various monthly reports; but with no reference to organization routine or those defensive arguments and appeals for support on which the occasional report lingers, as if in apology for the secretary's employment, or even the organization's existence.

The monthly report system has this greater advantage; in the opinion of one eastern member of the association, "As a general proposition, we have no standards by which we measure our own work or the work of the organization. It is this entire absence of standard, plus the absence of comparative statements, necessarily made public at short intervals, that are at the bottom of most organizations' inefficiency. It is mighty hard to induce us to use devices that measure our daily work. The unavoidable obligation to make frequent comparative reports works wonders, I believe."

In committee reports of the best known organizations, I find a full committee list put right out in front. One organization uses the chairman's photograph with each committee report, while several put the full committee list in the margin opposite the text. As a means of extending committee work, of making acceptance of committee appointments more certain, and of giving committeemen the feeling of participation in the affairs of the organization, this method is plainly good business.

Pictorial forms to supplement reports are in favor. These are splendid for rapid comprehension, usually to explain how the work and income of the organization is apportioned. Where the program of work is laid out as mentioned in our consideration of question one, parallel columns are used, the planks in the platform are the debit column and in the other are credited the things on the program done and those done which were not on the program. In this plan the sentences are short and pointed. This is, in fact, a real trial balance.

In the reports of the organizations which are generally regarded as most successful, the name of the secretary never appears, except when necessary. The accomplishments are always those of the committees and directors.

### The Use of Bulletin Boards

Few organizations use a bulletin board, the common reason being that its headquarters have no club feature in connection. Those which use them find them valuable. They are attractively made and conspicuously placed. Photographs of municipal, industrial and commercial interest; new buildings; local city improvements; matters of more or less general interest, which hardly justify the expense of a circular to members; miscellaneous matters of local interest, and clippings and photos showing what those in nearby cities of similar size are doing, combine to give the office an atmosphere of interest in community affairs, and headquarters for general information concerning it. One organization maintains on its bulletin board a public events register, on which is kept a record of coming public events, so that activities planned for weeks ahead, by different organizations, can be scheduled, to avoid conflicting dates.

Two organizations, located in upper floors of office buildings, have installed attractive bulletin boards on the first floor



lobbies of the buildings, opposite the elevator, on which matters of interest even broader than those of the organization are shown, the display being changed often. These cork bulletin boards form the back of an all-glass case, not more than two or three inches deep. It gives the organization an opportunity to extend the use of its facilities to strangers in the city, and in this way supplements the signs of the organization's hospitableness, often posted in hotels and railroad stations.

### Membership Activities

Do you have mail referenda, either in connection with or as a substitute for the open meeting? What material relating to the question accompanies the mail ballot?

It is interesting to see with what positiveness a half dozen of the more experienced secretaries differ on the advantages of the open meeting and the mail referenda. Those in favor of the open meeting say that only such a discussion produces new ideas; more interest is aroused; there is a better opportunity for individual explanation and joint debate; that voting by mail is perfunctory, and that members need the stimulus of the open meeting to formulate their opinions.

The defenders of the mail ballot say the vote of the man who thinks the least and speaks the loudest is heard in the open meeting; the mail ballot is more representative, because the crank and the interested party have no opportunity of making their special plea, and written judgment is in the main cool, well-considered, and represents conviction.

A Southern secretary states that he has found the open meeting positively harmful; that on live subjects bitterness is often threatened; that it rarely brings out thoughtful discussion by thoughtful men.

A very intelligent mail vote can be taken only if the two sides of the argument are comprehensively stated in the notice that is sent with the ballot. It is on the fairness and completeness of this statement that the satisfaction of members with the mail ballot probably rests. Of course, the mail ballot gives the two sides no opportunity for answering questions asked by their opponents. I do not believe this is a question on which organizations ever will entirely agree. A large portion of secretaries believe in combining the two methods, or in varying the method to suit the question. Most of us, I think, have

found occasions when one method was better, and others when the other was.

### Getting Acquainted

How is acquaintance-making conducted, especially with new members? A commendable and common way of making new members acquainted with older ones and with each other, seems to be a variation of this program: To follow the member's notification of election with a friendly note from the acquaintance committee or some member of it. One organization apportions its new members among the members of the acquaintance committee, and a few days before the next noon luncheon the committeeman writes the new member, putting himself at the new member's service for that occasion, inviting the new member to meet him fifteen or twenty minutes early, at the place where the meeting is to be held, and then devoting himself to that new member before and during the meeting, introducing him as widely as possible.

New members, where there are not too many of them, are frequently asked to introduce themselves in open meetings. A few organizations place cards at the tables, asking members to introduce themselves to those near them. It is frequent practice to tag members with name and business connection.

One organization has a series of six cards which it places at all plates. Three samples follow:

"All of the other fellows at the table are interested in the growth and betterment of Minneapolis, just as you are. Get acquainted with them. Introduce yourself. Minneapolis will advance more rapidly if you fellows work together than if you try to go it alone. The growth of Minneapolis means profit and satisfaction to each of you. It's worth something to know a lot of folks, anyway."

Acquaintance Committee.

"Friendship is the keystone of success. If you are going to be a real help in building up Minneapolis, you must form friendships with the 'good fellows' right here at this table. Obey that impulse. Grab your neighbor's hand, and tell him who you are. Ten to one he is thinking of grabbing your hand right now. Beat him to it."

Acquaintance Committee.

"If a friend were to come to you now, while you are sitting here and say, 'would you like to do something right now for the Civic & Commerce Association?' you would say, 'You bet I would; what is it?'"

"GET ACQUAINTED WITH THE FELLOWS AT THIS TABLE."

"We can't get the results of which this Association is capable unless we all pull together. and strangers make poor teammates. Won't you introduce yourself?"

The Acquaintance Committee.

### Specific Entertainment Features

Do you have any specific entertainment features at membership meetings? With the exception of music at meals, there seem to be few widely accepted entertainment features. Most secretaries report that members want all work or all play. This question was meant to cover only business meetings and noon meetings with speakers.

From what sources do you maintain your list of prospective members? This question is a minor one. Secretaries report everything, however, from city directories to maternity hospitals as sources of information.

Do you have a system for registering and following up for solicitation, guests who attend your luncheon meetings or social affairs? Few organizations are getting the names of guests who attend luncheon meetings and social affairs. Those who do use it find the list of prospects a preferred one.

Can you suggest any unique membership campaign methods? This question, although very important, should not have been included, as the subject cannot be presented in abridged form. A high percentage of organizations has determined definitely to eliminate future impulsive campaigns with spectacular features, in which the prospective member receives the impression that he is being invited to join the organization merely to help some one win a hat or an annual baseball pass. One secretary after another states that the member who does not know what the chamber can and cannot do for him and does not understand what he is expected to do for the chamber, will be neither a valuable nor permanent asset.

The campaign method is not going out, of course. It never will, I suppose, for we know that it is not natural for the individual or organization to plan very much in advance of actual need. The average member, content to be passive while affairs are running prosperously, will arise nobly to a crisis if the organization will create that crisis for him and put it up to him plainly.

The proportion of new members secured in a campaign who later do not qualify is probably due not so much to the flurry during which they came in as to the lack of assimilative effort made by the organization during the first year or two of his membership when his mind is in a particularly impressionable attitude toward the organization.



### Arrears and Delinquents

Do you permit members to resign while in arrears? Practically all organizations say "in theory, no; in practice, yes, after means of persuasion have been exhausted." Two organizations have used and collected, but too recently to state with what collateral results.

Will you state your method of procedure with delinquent members? The responses show no one method which is praiseworthy enough to be mentioned in detail, although practically all secretaries report that the number is greatly cut down by personal calls, not to collect, but to clear up possible misunderstandings. In some organizations these are made by members of the staff, in others by members of a special committee appointed and trained for the purpose. In collection letters the emphasis is laid on what the organization is doing, not that it needs the money.

How often are bills for dues sent out? Bills for dues in different commercial organizations are mailed out in a great variety of intervals. The question is more important than is customarily supposed. I believe there is a great advantage in having bills mailed out yearly, and no oftener. I heard an experienced secretary once say that "A bill for dues was a psychological invitation to resign;" at least it will be agreed, I believe, that the receipt of a bill puts a man on the defensive. It is gently, but actually, asking him to sign a new contract. A man usually feels as if he is depriving himself if he doesn't take this occasion to consider what the organization has done during the period since his last payment that displeased him or what it failed to do that he strongly favored.

Let us take the case of an organization that bills its members four times a year, and let us assume that the typical member is not typical, and that he pays his dues for each quarter promptly and without a second notice. At the end of a year he has received at least four bills for, let us say, \$6.25; he has made out four checks for \$6.25, and has received four receipts for \$6.25. One organization's experience actually proves that men feel that their financial support of the organization is greater than if once a year they got a bill and signed a check for twenty-five dollars. The average man who is billed four times a year (and this is one-half as true of the semi-annual plan) will receive a bill for the next period so soon after re-

ceiving the receipt for the previous period, even if he pays promptly, that a feeling of annoyance results. This statement is not meant to apply to the more difficult collections. There is the additional advantage of simpler bookkeeping in favor of the annual plan.

Do committees, through their chairmen, have authority to incur minor expenses in the conduct of their work without specific authorization from the board of directors? The predominant practice is against expenditures except those appropriated in the budget. In spending this, committees are customarily given full authority.

### Who Appoints Committees?

Two organizations have tried the experiment of a committee on committees to which the selection of all standing and special committees of the organization is referred. The suggested appointments are then made by the president. The theory is that a committee of five, chosen with discrimination, will, in selecting committees for various purposes, have a larger field of acquaintance among the membership, and, because it is their one responsibility, will act with more deliberation than a president and board of directors, whose tendency is to make and confirm such appointments hastily and from closest associates.

How are committee-men selected? (1) From general reputation for zeal and adaptability? (2) From previous record of committee service? (3) From a requested expression of the nature of work most interesting to them?

Replies show a combination of the three. Previous records for good committee service are a splendid source, but an effort should be made to get as many untried members into the work as possible.

A statement by a member of what particular division of the organization he is interested in is a valuable starting point, but if relied upon solely or largely in making appointments, the results are apt to be disappointing.

A New England secretary states that his organization "tried the experiment of asking members what committees they would be willing to serve upon, and found that method decidedly unsatisfactory and objectionable. In most cases, a member had no particular qualifications for the committees

named by him, and frequently there were circumstances which made his appointment on some or all of the committees selected absolutely impossible. A dealer in fire extinguishers or fire alarm apparatus or fire-proof material is very likely to say that he is willing to serve on the committee on fire prevention, and usually he cannot see why he should not be appointed, and when you have asked a member what committee he would be willing to serve upon, and he has told you, and then he is not appointed, he is very likely to be deeply offended." A man will naturally do better work, however, on things in which he is interested, and a knowledge as to what class of activities he is particularly interested in is valuable as *one*, but only one, of the facts upon which a decision should be based.

### Most Effective Unit

The tendency is toward smaller committees; five and seven are commonly mentioned. An interesting tabulation by one secretary shows that the percentage of attendance at meetings is greater in a committee of nine than in committees of any other number. As the size of the committees increases, the attendance percentage decreases.

Many are in favor of a committee containing about nine men. If the committee is smaller than that it is not representative, and one man with strong views is apt to control it. When a committee becomes larger, the sense of personal responsibility of each member decreases.

If a decision is to be reached on a question which affects many people in different ways, and if there are a number of different points of view to be weighed and considered, the committee should be large enough to make it representative, whatever that size may be.

Is there a tendency to increase the percentage of standing committees, or vice versa? The tendency to increase the proportion of special committees is marked. The argument behind the tendency is common and unnecessary here.

Have you a regular procedure for replacing men who give unsatisfactory committee service? The majority of organizations do not change the personnel of their committees during the year, a few replace committeemen whose attendance record is unsatisfactory, but for no other reason. The most diplomatic way to do this seems to me to be to enlarge the committee by



a number equal to the inactive committeemen. The inactive men remain on the committee nominally for the year, but the committee is filled up with active men.

### Retaining Committee Interest

Do you have a method for retaining interest in the work of the committee on the part of committee-men who miss one or more consecutive meetings? More active organizations consistently send copies of the minutes, or at least the leading portions of them, or verbal reports to absent committeemen so that their interest in the work of the committee is retained and they feel that they were missed at the conference (although one secretary does report that this means of rewarding committeemen for absence has not worked out in practice with him). This plan seems to be the best known one of keeping committees intact.

Do you have a system for following up work of the committees or committee chairmen? One secretary writes all committee minutes in duplicate, giving a book to every chairman. This personal minute book has printed on the outside the name of the chairman and the name of the committee; being thus distinctive the chairman often refers to it, the secretary finds, and keeps the work well in mind.

The use of a wall chart on which meetings and progress of work are recorded, referred to before, stimulates competition among the committees. A few organizations make up on a large sheet an analysis of the work to be done by the committee. A copy is given to the chairman, one is kept by the secretary. The complete analysis is read at the first meeting and kept up-to-date.

Are new matters referred to standing committees by the secretary direct, or after presentation to the directors? This question is handled in both ways, although the argument seems to be in favor of the secretary's referring new matters to committees if already appointed. Inasmuch as the directors must pass on committee reports before being made public, the method of referring to committees direct greatly relieves the pressure of time in director's meetings.

Do committees ever make reports public before submitting to directors? Almost unanimously "no."

### Securing Committee Attendance

What is your procedure for calling and reminding committee-men of meetings? Practically all organizations have the same usage regarding mail and telephone notices, so that no further comment upon general methods is worth while. One western organization uses a striking post card with colored bands (colors changed weekly) along the upper and lower edges. On one side is printed, in contrasting colors, "The prosperity of Spokane means much to you. Your efforts should help make that prosperity." On the two bands of the reverse side, "The Committee has business to do for Spokane. Your help is needed to do that business."

Will you send, or describe, unusual devices you have found valuable: (a) To supervise progress of director's and committee's work? (b) To expedite secretary's personal work?

(a) One secretary mails two or three days before each directors' meeting a summary of the matters which should come up for consideration at that meeting, a copy of committee reports which are to come up for action, and a copy of the minutes of the last directors' meeting. He finds that a number of directors keep a file of these minutes and value this feature, which also makes it unnecessary to listen to the reading of the minutes, in which instead of directors present, is officially recorded the list of absentees. A second copy of the program of business is also typewritten and laid at the director's place, which hastens matters, each director being able to see at a glance how much more work there is to come before that particular meeting. It is well worth while as a means of eliminating that unnecessary and irrelevant discussion, which the secretary finds so exasperating. The president's copy shows in detail the status of each question and other significant information. At the close of the meeting, an extra copy of the minutes is made and cut up, the action taken in reference to each report, letter or memorandum is attached to it and disposed of properly. Matters not acted upon are put in the directors' live file for the next meeting.

(b) A Pacific Coast secretary says he has found it valuable when some important piece of work is first undertaken, to have made, besides a special file in which all matters relating to it are kept, a general record sheet. On this is entered the dates when meetings on the subject were held and action

taken, so that it is possible to determine at a glance just what has been done on that piece of work and what its present status is.

Do you have a secretary's chart for recording significant membership, financial or attendance records for your own use? If so, please send sample or describe briefly. An Ohio organization reports considerable help from a chart ruled both ways having the years spaced across the top so that one chart serves for a ten-year period. Along one vertical side of the chart properly spaced is an ascending scale of financial amounts, on the other an ascending scale of plain numerals. Records of general meetings of the membership, number of applications, resignations, delinquencies, committee meetings held, etc., can be plotted in lines over this area of time, the ink for these items being of the same color as the plain numerals. The lines which show such financial statements as income, expenditures, budget, salaries, etc., can be drawn in another color of ink to correspond with the color used for the financial figures along the other side of the chart. It is plain that the secretary has at a glance the general tendency of the most vital affairs of his organization.

### The Handling of Publicity

Do your office assistants handle publicity for their own committees? "No" almost without exception, unless by semi-independent bureaus and boards.

Will you relate what you consider the most effective way of handling news in the local papers? In their own way the majority of secretaries make the same answer. A few quotations follow: "News is most effectively handled if each paper tells its story in its own way with the full knowledge of the facts." "Take the newspaper men into your confidence." "Cultivate the acquaintance of the editors." "When a new reporter comes on the beat take time to acquaint him with the fundamentals of chamber of commerce work." "Do not expect him to write intelligently about something regarding which he knows nothing."

The secretary's name is never used where unnecessary. Credit for various chamber activities is published in the name of the organization and its committees, the secretary occasionally assisting the reporter to an interview with the chairman



of a committee, at a time when the committee's activities will benefit by it.

Is it written out in your office? About one-half of the secretaries have the news matter typewritten in their own office, in the interest of accuracy and for the importance of getting the right slant on the story. Others write out only the more important or delicate stories, leaving the balance of news to the handling of the reporter. Decision on this question, of course, depends upon the friendliness and ability of the reporter. The responses are evenly divided as to method. One capable secretary states that in his judgment secretaries too often work for the long story, when short ones are more liable to be read, and permit the news to be put in a more compact form.

### Control of Assistants

Does the secretary in your organization have sole control over appointments and tenure of assistants? In practically every case, "yes."

Will you give your reasons for, or against this? Reasons were practically the same, and are well known.

What is your opinion as to the relative value of (a) One and two cent letter postage for notices, and (b) Stamped and unstamped return post cards?

A large majority of organizations use two-cent stamps for notices to members. A smaller majority use the stamped return post cards. I should like to refer here to a system used for luncheon meetings by a northwestern organization for tabulating the number of replies received with unstamped cards.

Luncheon	
Wednesday, June 9, '15	12 o'clock
Mr. David Starr Jordan	
Notices sent out, 6/4/15, 3,000.	
Acceptances received, 6/5.....	21
Acceptances received, 6/7.....	139
Acceptances received, 6/8.....	123
Acceptances received, 6/9.....	8
Telephone reservations .....	16
Complimentary tickets .....	12
TOTAL .....	319
Total actually present.....	362

The theory of this is that although with the unstamped return card, a smaller number of acceptances will be received,

the proportion of cards to attendance can soon, by the law of average, be estimated closely. It seems to be generally agreed that stamped cards should be used when the information sought is not directly in the individual's interest. In either case the card, of course, should be arranged so that a member may fill it in with a minimum of effort.

Can you suggest new departures in filing or in other clerical routine likely to be of general interest? A number of systems were reported, which vary so, and yet which seem to be giving equal happiness to the users, that I do not believe an extended discussion of them would be feasible or of particular value.

Do you have a system of classifying and filing for easy reference, valuable articles in commercial organizations, exchanges or other publications which come to you? The most feasible plan seems to be to have the secretary or his assistant, mark for clipping, articles which are of current or possible future interest to the organization. Clippings are pasted on cards grouped by subjects, so that all printed information from exchanges bearing on one subject will be found in one place. If the articles cannot be cut out, the publication is filed away and reference to the article is filed on a card. In this way a complete information file on certain subjects is available. It is a common practice to mail important articles to committee chairmen when it bears on the work in hand.

## CHAPTER XVIII.

### Annual Reports, Their Form and Value

By DON E. MOWRY

The organization that is going forward—making progress—is the one that advertises. The organization that does not advertise is marking time. Whether it be an industrial enterprise or a commercial organization, the same rule, based upon a practical application of known facts, must be applied. The organization that does not advertise, by keeping abreast of present-day advertising methods, does not sell itself through advanced methods of publicity, is merely marking time.

The examination of 313 annual reports of commercial organizations, located in practically every State in the Union, including Canada and Alaska, brings to light the somewhat startling general information that these organizations are not keeping pace with the most approved methods of selling to their memberships the accomplishments of the past year, as recorded in their annual reports. With but few exceptions, commercial organizations in the United States are groping in the dark, seeking a vehicle which will transport them quickly into a new atmosphere where they hope to be able to produce an annual report that will prove to be the exception rather than the rule.

It may be true that the cost entailed in turning out a booklet that is thoroughly up-to-date, has a selling "punch" and produces the desired psychological effect upon members and prospective members, is the chief factor which has brought about the apparent stagnant condition. And yet, the observations which have been made indicate that 138 organizations are publishing annual reports in booklet form, while 57 other organizations have turned to their house organs as the vehicle through which the annual report is staged. Some organizations have either temporarily or permanently given up the idea of an annual report, and of the 315 organizations reporting, 45 have stated that they do not publish an annual report. There thus remain but 75 organizations, considered in the study, that



use broadsides, newspaper items, legal forms, leaflets, typed statements or bound books as their medium for carrying their annual reports.

### Purpose of Reports

What is the annual report for? Is it published, no matter what its form, for the purpose of justifying the expenditures of the past year, to record past history? Or is it published for the purpose of "selling" the present membership and cutting into the potential market—the unsold non-members?

Do your members want to see a gallery or the results? Should pretty pictures of your city be included in your annual report? Should your vacant assembly rooms, your vacant offices, your street scenes, your directors, your wholesale district or mediocre cartoons be made part of your annual report? If so, why?

In an attempt to increase the size of the report or else to cause the member to look for his name, sixty-nine organizations publish a classified list of their members in various forms. Exhibit number six illustrates the different plans followed in this regard. It is an encouraging sign to note that 246 organizations have abandoned this policy.

Financial statements are usually condensed and they appear in many publications in many forms. It is a recognized practice where an annual report is published to print a financial statement. And yet there is division on this point. Organizations reporting no financial statements number 106 while those that report financial statements number 156. In some instances the financial statements are enclosed as a leaflet with the printed annual report.

Plans of organization and city statistics are still used by a number of organizations, large and small. Cities that are publishing statistics as a part of their annual reports have a peculiar reason for so doing and are undoubtedly justified.

House organs are used by many organizations, large and small, throughout the country. Because many organizations depend upon their weekly or monthly publications to get facts before their memberships, they favor this medium, rather than a printed booklet.

### A Variety of Forms

Some annual reports in booklet form, as well as many in the house organ form, have their activities reported by commit-

tees, by the president, by the secretary, and in memorandum form. The memorandum form is that form which merely lists activities in a short direct statement. Committee reports are recorded by 205 organizations and 110 adopt other methods. The president and secretary make the reports in sixty-eight instances while about thirty organizations follow the memorandum form.

The railroad time-table style is much in favor with organizations that print booklets. Out of a total of 138 publishing booklets, fifty have adopted this form. Standardization, or uniformity, is practiced by a number of organizations. On the other hand, other organizations adopt a different form for each year. Where there is a desire to cut down expenses but at the same time issue some sort of an annual report, leaflets are published. These take the form of the report of the secretary or are simply a terse statement of things accomplished. This plan gives the membership a statement at hand that can be turned to for reference at any time.

A few secretaries have discovered that the membership is not so much interested in what has been done as they are in what is being done and what is going to be done. Based upon this understanding of popular fancy, a number of organizations are publishing either with or separate from their annual reports a program of work. Some few commercial organizations give to the members outlines of the work which they propose to do, as distinguished from reports on the work which has already been done.

To accomplish the main purpose, quickening the interest of our members and gaining new memberships, it may be necessary to abandon old customs for new practices.

## CHAPTER XIX.

### Methods of Recording Minutes

By JAMES A. McKIBBEN

The by-laws of about every chamber have a section stating the duties of the secretary of the organization; and prominent in that statement of duties is that "he shall keep the records of the chamber," or words to that effect.

Is it possible to state briefly—in one sentence, for instance—the one thing to be kept constantly in mind, the one thing you should aim to accomplish in writing records? Always write a record so that it will be a correct statement of what took place, and so that it will be clear and intelligible to a stranger reading it twenty years after it is written.

Is not that, in a nutshell, what you want to accomplish? I imagine nearly all of you will agree that it is; and yet how many of us write that kind of records? How many of us are able to say truthfully, when we look at a page of records which we have written, that we believe a man twenty years from now, knowing nothing of current history and with no knowledge of the facts possessed by us, would, from reading that page, get a correct, clear and intelligent understanding of what transpired? How many of us are even able to detach ourselves from the knowledge of events and circumstances with which we are so closely connected that they have become a part of us, and thereby get a correct perspective of what we have written from the standpoint of a stranger twenty years from now? Of course it is evident that you must be able to do that in order to apply the rule correctly. If you are able to do that—really able to do it—you have accomplished a good deal, and have gone a long way toward enabling yourself to write good records.

The question of how full notes he should take is one upon which there may well be a wide difference of opinion. Those who take full notes will probably argue that you cannot make an accurate record if you rely on your memory (which is true); that you cannot always tell in advance what is going to be important; and that the only safe method is to take full notes on everything. Many, on the other hand, would argue that if



a man takes full notes of everything his mind is likely to be so occupied in taking notes that he is unable to discriminate between what is important and what is comparatively trivial; that much of the work spent in taking full notes is "lost motion;" that the result of taking full notes of everything is that when a man goes to write the minutes he has to spend much time in sifting the chaff from the wheat, and that much better results will be obtained by only taking notes of the important things.

### Need of Discrimination

Whether or not you believe you should include in the minutes a statement of the positions taken by the various directors and members of committees—a question which we will consider later—it would seem as if one's endeavor should be to discriminate at the time between what is essential and what is comparatively unessential, and that you should take notes of what is essential and omit what is non-essential.

The secretary who is an accomplished shorthand writer has a great advantage in taking notes, for he can with ease take the exact language of any motion or suggestion and, if he wishes to do so, take pretty full notes of the main points in a discussion—and in the exact language of the speaker—and still have his mind comparatively free to weigh the arguments made and to take part intelligently in the discussion, if that should prove to be advisable. If a person has a really good knowledge of shorthand and has used it so long that it has become almost second nature to him, he can take very full notes if he so desires and still do this.

Let me say a word of caution, however, to those of you who write shorthand. The very ease and facility with which you can take notes makes it necessary that you should guard zealously against taking too full notes. As one secretary put it to the questionnaire, "my experience has taught me that shorthand supplies too much. There is a spendthrift waste of words in almost every committee meeting." \* \* \* \* Complete schedules of summaries of matters to be taken up, prepared in advance by secretaries whose experience has shown them that, as ex-President Mead puts it, "the thorough preparation and digestion of the material to be considered at a meeting, the practice of having reports presented in writing, and of having all necessary documents, or a proper digest thereof, attached to

the papers, assists tremendously in simplifying and facilitating the preparation of the minutes."

### Sending Advance Schedule

The practice which I have found to be most advisable is to send in advance of the meeting to each director or to each member of a committee, as the case may be, a schedule or summary giving the various items to come up, numbered in the order which it is desirable for them to come up. Under each number there should be a brief, but carefully prepared, synopsis of the report or matter to be presented (a synopsis which gives you, in brief space, the real "meat" of it); and with this synopsis there should be sent, wherever practicable, a copy of the actual report or letter, so that each member may know in advance just what is coming up and have an opportunity to read it and decide what he thinks should be done with reference to it. I find this well worth while, for it promotes intelligent discussion and action and has a tendency to prevent the "spendthrift waste of words" at the meeting which one of the secretaries referred to; and therefore, in addition to its other advantages, it makes the job of taking notes and writing a clear and intelligible record easier.

And it is worth while to make the synopsis of each report in the schedule as good a condensation of the report as it is possible to give in five or six lines, for when you come to dictate the records you will then have ready for insertion in them just exactly what you want and can avoid even the necessity of re-dictating any of them—except the first few words of each number. These may need to be changed because of the fact that your record should be a story of what occurred at the meeting, and the first few words in reference to each item should, therefore, vary slightly in the record from the form used in the schedule.

### Writing the Minutes

How soon after a meeting adjourns should your minutes be written? Of the 186 questionnaires examined, 42.5 per cent write minutes immediately after the meeting (or the first thing the following morning in the case of an evening meeting); 72 (38.7 per cent) write the minutes within 24 hours; and 30 (16.1 per cent) said that they write them "as soon as possible," without indicating how soon that is. Five (2.7 per cent) apparently write their records whenever it is convenient.

Nearly all the secretaries, as you might expect, expressed the opinion that the minutes should be written "just as soon as possible after the meeting." The reasons given were essentially the same, and were, in substance, that whether you take full notes and "boil them down" in writing out your records, or take brief notes, or, indeed, any kind of notes, you get the best results by using your recollection to supplement the notes—in cutting down your notes if they are too full, in supplementing the notes if they are too brief. In addition, whatever kind of notes you take you can much better apply while your memory of what took place is fresh, our test of whether what you write is correct and would be clear and intelligible to a stranger.

How much of the discussion should be included in the minutes? The answers to the questionnaire show that 21 (11.2 per cent) embody in the minutes a pretty complete condensation of discussions at the meetings; 42 (22.5 per cent) embody a brief synopsis of the discussions; that 15 (7.9 per cent) include nothing but a bare record of action taken, and 86 (46.2 per cent) included in addition to a record of the action taken only the most important suggestions made in discussions.

Most secretaries express the opinion that records should be made as brief as is consistent with giving a correct, clear and intelligible statement of what transpired. Most of them think this best accomplished by simply stating the action taken, and where there was discussion, by saying, "after discussion it was voted," or words to that effect; except where the matter is of especial importance or where there is a difference of opinion, in which case you should include a brief synopsis of the points made in the discussion. The people who believe in including in the records a full synopsis of discussion, mostly justify this on the ground that, as one secretary expressed it, "It is not only desirable to have a complete record, but of the reasons which influenced the decision."

### Brevity Most Desirable

A few—a very few—secretaries laid emphasis on the desirability of having a record of just where each director stood on a matter. May I be pardoned for saying that I think such a point of view very much out of place in chamber of commerce work? It may be a proper and fitting part of debating soci-



eties, political conventions, and such affairs; but it has no proper place in a chamber of commerce. What a chamber should be interested in, and the only thing it should be interested in, is arriving at the wisest possible decision, and how to get done the thing which it is decided should be done. Whether John Jones took a position last month or last year which is inconsistent with a position taken by him now is a matter of no importance whatever to the chamber. What if he has changed his mind? Fools are the only people who never change their minds—and they would if they knew enough. And, anyway, you are not writing the life and history of John Jones and Henry Smith and others. You are making a record of what decisions were made by committees and directors in reference to the various matters which came before them.

### Synopsical Reports

There are some secretaries, and some good ones, who think it important that a good synopsis of debates should, in almost all cases, be included. I think there is a good deal of truth, however, in the remark of one secretary that "nobody except the secretary ever reads any part of the record except the action taken;" and I believe that the secretaries who make it a practice to include pretty full synopses of debates are really either doing it to gratify their personal satisfaction or because making a complete record of everything that happened has become with them a fad (a fad, you know, is nothing but a good idea carried too far), and that they are fooling themselves in thinking that they are doing it in order to have the best minutes possible. One secretary remarked that "when one recalls that the story of the creation was written in about six hundred words, it is apparent that very important meetings can be reported in comparatively small space."

Besides, as Ex-President Strong in his answer points out: "Generally speaking, it is dangerous to endeavor to quote individuals, particularly when they are speaking in opposition to the position taken by the majority of the committee. A better way is to give the thing so clearly in substance that it cannot be assumed to be a quotation. For instance, Mr. A. opposed the motion to endorse the building of the concrete bridge on the ground that concrete for purposes of a bridge, with a climate with widely varying temperatures, was not regarded as

altogether feasible, and also on the ground that the city was not justified at present in spending as much money as would be required for a concrete structure, when the growth of the city might require, after a generation or two, the building of a structure of larger capacity. Perhaps Mr. A. took fifteen minutes in which to present his argument; but this gives the gist of his argument in no uncertain terms, without endeavoring to quote him."

### Secretary Must Efface Himself

The commercial secretary should keep himself out of the minutes as much as possible. He should put himself into the record only when necessary because he made a report or something; and he should always write the record in the third person—saying, when referring to matters, that "the secretary reported that," etc. The use of the word "I" in a record is an unpardonable exhibition of egotism and a manifestation of the secretary's inability to detach himself sufficiently from the things which have transpired to get a correct perspective from the standpoint of a stranger twenty years from now; and no man can write ideal records unless he does that.

It is no crime to use correct English in writing records. A record is not made any more correct or clear or intelligible by being written in jerky, disconnected, or fragmentary and incomplete sentences. As President Guild pointed out, "Nice, clean-cut, forceful minutes are just as much a joy as a nicely worded and typewritten letter."

### Character of Record Books

The first question under this portion of the questionnaire was intended to develop the form of record book used. About 150 answered this question. One hundred and six (71 per cent) of the secretaries use some form of loose leaf book; and of this number about one-fifth have the loose leaves permanently bound at the end of the year.

The first paragraph should contain a statement of where and at what time the meeting was held, and who were present.

If the matter in question is a report and it is not in writing, the statement of the matter in the minutes must, of course, be sufficiently complete to give all necessary information in reference to it. If it is a written report, I think the best practice is to make the best condensation you can in five or six

lines, and then say "(for copy of report see appendix 'A' annexed hereto)"—and annex the original report. As was pointed out by a number of secretaries, the minutes are more permanent and lasting than your files or anything else. The safest place to put reports is with the minutes of the body which took final action, (i. e., the directors); and they are also more easily and quickly found there than if distributed through your files. Your files, to be sure, should also contain a copy of the report; but the best place for the original is with the directors' minutes. In addition to that being the safest place in which you can put your reports, this method also has a number of other advantages. It saves time. If you make the report an appendix you can make the statement in the minutes in reference to the report much briefer than if it were not readily accessible. It also gives fuller information than you otherwise possibly could obtain. The minutes give a very brief condensation of the report, and any one wanting fuller information can readily consult the report itself, in the appendix. It makes your record of the meeting itself less bulky, in that much of what you otherwise would have to put in the minutes is contained in appendices; and, further, it facilitates the finding of any matter in the minutes, for the action taken in reference to the matter is not snowed under and covered up by a lot of language which can better be made an appendix.

If the matter referred to is a letter or anything else, what is said above applies equally. If it is of enough importance, the original should be made an appendix to the record of your directors' meeting; and if it is not of enough importance for that, the record itself should contain a sufficiently full statement in reference to it to give our mythical stranger who is going to look at the record twenty years from now a clear and intelligent and correct understanding of what the matter was.

Having put into the record itself so much as was necessary, using the original document as an appendix, the record should then state the action taken. If there was a discussion of an ordinary character, but of no special importance, it is well to refer to the fact that there was discussion by saying "after discussion, it was voted," etc., or "it was voted, after discussion, that," etc. If the discussion was of an important character, a very brief statement of the main points brought out in the discussion on the one side and on the other should be included.



### Headings or Side Notes

Either headings or side notes should be used to facilitate finding things. Whether or not you use an index, it seems to me advisable to have each new subject labeled either by side notes or a heading. Whether you use the one or the other is a matter of choice. Personally, I prefer the headings. They are more quickly and easily written; they seem to me about as good a guide as the side notes; and you can use more words in the headings than in the side notes, and thus give a clearer idea of what the paragraph is about.

And the last paragraph of your minutes of a meeting should contain a statement of when the committee adjourned and when its next meeting is to be held.

If you wish a chronological file of minutes in one book, for use during the current year, take the first carbon copy and have it punched in the ordinary way and keep them in the kind of a binder which suits your fancy. There are hundreds of them offered for sale, and at reasonable prices.

Whether you keep a set of carbon copies of the minutes arranged chronologically or not, get a simple folder for the minutes of each committee and, as the minutes are written out, put in that committee's folder all of the minutes of its meetings arranged chronologically. For this purpose an ordinary cheap paper folder with a "one-inch expansion," such as is used in vertical files, can be used; but you will find it a convenience to use a "press board expansion folder" with stiff sides, such as all of the vertical filing companies have for sale—and they are not very costly. These should be kept in a vertical filing cabinet, alphabetically arranged by committees, so that you can instantly put your hand on the file of minutes of any particular committee; and you should have the file of minutes for the current year at every meeting of the committee. You will find this a great convenience and a great time saver if you want to look back in the minutes of any committee and find something. For *current* use no one or two books of records are nearly as convenient or serviceable, and if you will try this plan I think you will find little and probably no occasion to refer to your chronological set of minutes during the current year. Of course, your official and permanent minutes should all be in one book.

## Records of Members, Payment of Dues

By ROBERT B. BEACH

A system of records and accounts is one of those things you have to have, whether you want it or not. Any system will work with the right man to operate it, but a good system works easiest and is least likely to go wrong. The less you have to think about it, the better it is. It will never get you a member but it may help you to keep a good many members. It may never give you anything to brag about, but it may save you something to apologize for.

A good bookkeeper is usually a poor secretary. A good secretary is usually a poor bookkeeper. The more important, therefore, that we, as secretaries, see to it that the system we employ is simple and effective.

When pressed into service to present this subject, I wired a dozen secretaries for copies of their forms. In looking them over you will be struck by two facts: First, that no two are alike; second, that there is, nevertheless, a kind of family resemblance.

Immediately you ask, "Why not standardize and arrive at a uniform system suitable for all?" Can this be done? That depends. There are certain conditions in our several chambers that are fundamentally different; others that are fundamentally the same. Points of difference are:

I. The membership year. Some date from January 1st. Some from January 1st and July 1st. Some from more frequent periods. Some have twenty-four, the first and fifteenth of each month. II. Payment of dues—annually in advance, quarterly, monthly. III. Distribution of expense—whether only by such classification as printing, postage, salaries and the like, or by departments and committees covered in a budget system with the other classifications under them.

That is not all, of course. Every chamber has some characteristic feature. In our own case, we make it a rule not to spend this year the money we earn next year. For example, if a membership year dates from January 15th, twenty-three twenty-fourths of the dues are available this year and one twenty-fourth is held for next year's requirements.

But against these detailed differences there are a host of points of similarity.

I. We are all in the same business. II. Our sources of revenue are the same. III. The problems of collection are common. IV. Our expenses vary in volume but conform in character.

### What Is To Be Accomplished?

Now what are the things we want to accomplish in our records of members, dues and disbursements? Most important we want to know at any minute just who our members are. Not the list as it stood last week, or as it stood last night, but the list as it stands right now. Next we want to know whose dues are paid, whose dues are due and whose dues are in arrears. Next in order we want to know what money we have spent and what it went for. And, finally, we want to know what money we have available to spend for work in hand.

Let me explain one simple method of procedure with which I happen to be familiar. When a member is elected a record card is made out. It is small—the smallest size of index card. It gives the name and address and classification. Under that are spaces for recording payment of dues from year to year. The back is blank. It is used for special memoranda if required. This card is the complete record of that member's status of membership. If he resigns, that is noted. If reinstated, that is noted. When, for any reason, the membership terminates the card is removed and placed in an ex-member file. Moreover, it is the one and only official record with which all other records are checked.

It is a straight alphabetical record and it never leaves the inner office of the accounting department. When not in use, it is locked in a fireproof vault. So much for the card.

Next there is made out a bill for dues—"invoice" they call it in bookkeeping language. It reads "Smith Manufacturing Company," dues from date to date and the amount. Of this invoice there are two carbons.

Take note of those carbons, they are important. Both are punched for loose leaf binders. One goes into the billing tickler made up of similar carbons of the entire memberships, classified alphabetically under billing dates, of which there are twenty-four. Suppose the membership starts today. The carbon is filed under November 15th (nearest billing date). One year hence the billing clerk refers to the November 15th carbons and bills for the following year. The exact language is



there on the carbon, all he has to change is the year. This happens two years hence, three years hence, and so on as long as the membership stands.

Now the other carbon—you recall there were two. The second goes into a binder called accounts receivable, filed alphabetically, where it stays until paid in due course. Then it is stamped "paid" and transferred to a paid accounts binder and kept as a permanent record.

Duplicate billing is done from the accounts receivable binder. Nothing goes into the journal—for there have to be journals, cash books and ledgers wherever there are accounts—except the total amount of the billing for a given date.

To recapitulate—one card—or it may be a compact loose leaf page if preferred—a complete permanent record upon which payments are noted as made; a bill with two carbons, the bill going to the member, one carbon to the tickler and one to the accounts receivable binder and ultimately to the accounts paid binder. Total amounts are recorded on the regular books. Simple—it gives an instantaneous record, always up to the minute and provides an effective means of following up the account.

### System of Membership Accounts

Going over the exhibit I have drawn certain principles which, if not self-evident, nevertheless, seem to be reflected in well-appointed systems of chamber accounts. Here they are:

I. The best membership record is a permanent alphabetical card or loose leaf index upon which all essential facts, including payment of dues, is recorded. This cannot be used to bill from unless filed by billing dates and that would destroy its usefulness as an instantaneous record.

II. It is a good thing to have your billing dates distributed throughout the year. This avoids a peak load. Your follow-up system by letter and call, if need be, can be worked consistently all the year round. The machinery works all the time. That makes for efficiency.

III. Keep as much detail as possible off your controlling ledger and other books of account. Keep the detail in auxiliary records, as close as possible to the source of information. For instance, distribution of expense can be itemized in a voucher which, when returned, is kept as a permanent record.

IV. A budget system is most important. It leads to forehandedness and a scientific planning of your work. It must be based on a highly conservative estimate of the resources of the coming year, derived from the experience of the previous years, leaving what is known in financial circles as a "margin of safety."

V. All expenditures should be authorized by requisition signed by the secretary. Then you have centralized authority and undivided responsibility.

VI. There must be an intelligent record of the distribution of expense, which upon analysis from time to time will yield instructive information for future guidance.

The error that you especially want to guard against in the operation of any system you employ is the unpardonable sin of sending a bill to the member who has paid his dues. The object you especially want to accomplish is timeliness. A record, however accurate of conditions as they were last week or last month, is of little practical value, but the record of to-day is not merely useful, it's inspiring.

## Forms, Records and Financial Accounts

### COMMITTEE REPORT ON STANDARDIZED FORMS\*

Out of the varied methods which our chambers of commerce use for the keeping of membership records and financial accounts—no two alike either in general character of the systems or in the forms that are employed—your committee, obedient to instructions, has selected that procedure which seems simplest and best. This procedure it offers as a basis of standardization, with such adaptations as local conditions may require.

The study is based upon a rather full list of questions addressed to the commercial secretaries comprising the membership of the N. A. C. O. S., to which letters of inquiry there were 131 replies, practically all accompanied by copies of forms. Certain of these forms have been collected in exhibits and are submitted as a corollary of this report.

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\*The committee consisted of R. B. Beach, Chairman; A. V. Snell, E. H. Krueger, John M. Guild, H. H. Mathonet, A. J. Miller and H. J. Wollenberg.





accounts. In the case of large organizations which distribute dues by function or periods, the columns are available for that purpose.

## 2. Continuous Record of Members.

This should be a bound record, the pages containing fifty lines on a side. The headings should be

BLANK CHAMBER OF COMMERCE MEMBERSHIP RECORD					
SERIAL NO.	NAME	DATE ELECTED	DUES	TERMINATION	
				DATE	REMARKS
00					
01					
02					
03					
04					
05					

No 2

The name of each member should be entered in the order of election and numbered consecutively.

No index is required, for this is provided by the official record, which gives serial number. (See part 2.)

## 3. Personnel Record Form.

This record should be kept on cards 4 by 6 inches in size. It is for general reference (as the official record should not be used for miscellaneous reference) and may be prepared in three ways, the distinction indicated by color, as follows:

White—For the general membership list, the white card signifying that the name on top line (whether firm or individual) is the name in which the membership officially stands.

Blue—For cross-indexing firms and individuals, the blue card signifying that the name on the top line (whether firm or individual) is not the name in which the membership officially stands, that being given in the second line.

Buff—For business directory, filed by character of business.

The information to be recorded on the blue and white cards is similar, each having two forms, (a) firm and (b) individual, as follows:

PERSONNEL CARD-FIRM	
FIRM NAME	
ADDRESS	
PHONE	
BUSINESS	
INDIVIDUALS	POSITION HELD
REMARKS	
BLANK CHAMBER OF COMMERCE	

№3 A

PERSONNEL CARD-INDIVIDUAL	
NAME	INTERESTED IN
FIRM	
BUSINESS ADDRESS	
RESIDENCE ADDRESS	COMMITTEE SERVICE
B. PHONE          R. PHONE	
NATURE OF BUSINESS	
POSITION HELD	
OTHER ORGANIZATIONS	
BLANK CHAMBER OF COMMERCE	

№3 B.

These cards are filed by firms and by individuals, each serving as a key to the other. The business record form (buff) contains:

## PERSONNEL CARD - BUSINESS

## BUSINESS

FIRM NAME

ADDRESS

PHONE

REPRESENTATIVES

## DESCRIPTION OF BUSINESS

MAKES OR SELLS


BLANK CHAMBER OF COMMERCE

## NO 3 C

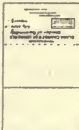
## 4. Bills.

Wording of the bill is determined somewhat by the by-laws. A good form is given below:

<p style="text-align: center;">(FRONT) PERFORATION</p> <hr style="border-top: 1px dashed black;"/> <p style="text-align: center;">INVOICE</p> <p style="text-align: center;"><b>BLANK CHAMBER OF COMMERCE</b> <i>Chamber of Commerce Building</i></p> <p style="text-align: right;">City, State _____ 19__</p> <p style="text-align: right;">Amount \$ _____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Details of Invoice</p>	<p style="text-align: center;">(BACK) PERFORATION</p> <hr style="border-top: 1px dashed black;"/> <p style="text-align: center;">MEMORANDUM</p> <p style="text-align: center;"><b>BLANK CHAMBER OF COMMERCE</b> <i>Chamber of Commerce Building</i></p> <p style="text-align: right;">City, State _____ 19__</p> <p style="text-align: right;">Amount \$ _____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p>
---	---



FRONT



BACK



This form is designed to fold and insert in "window envelope." The arrangement permits the writing of invoice and memorandum with one operation, using carbon.

The practice of sending receipts (except where currency is used) is useless and wasteful and has been discontinued generally by modern mercantile establishments.

### 5. Budget Form.

We recommend that chambers generally adopt the budget system. In fact, we do not see how organizations can be fully successful and efficient without the use of a predetermined budget. A simple form of budget, which may be written on a plain sheet, is given below:

BLANK CHAMBER OF COMMERCE							
<i>Estimate of Budget Requirements for 1920</i>							
<i>Total Expenditures 1919 \$ _____</i>							
<i>Estimated Revenue 1920 \$ _____</i>							
<i>Department (or Committee)</i>	<i>Appropriation 1919</i>		<i>Expenditures 1919</i>		<i>Requested 1920</i>		<i>Appropriation 1920</i>
<i>Headquarters</i> _____	13290	00	11990	00	15000	00	
<i>Civic</i> _____	3971	00	4320	00	5000	00	
<i>Industrial</i> _____	5582	00	5578	00	10000	00	
<i>Trade</i> _____	3411	00	2000	00	4000	00	
<i>Publicity</i> _____	4262	00	4371	00	7500	00	
<i>Etc.</i> _____							
No 5							

The foregoing is a summary sheet, giving the totals for departments (or committees). It may be supplemented by detailed statements from each department, with similar columns of figures, the first column giving the items into which the department (or committee) expense is divided.

Inasmuch as budget-making is the subject of a special paper to be presented to the Fifth Annual Convention of the N. A. C. O. S., the Committee on Standardized Forms includes it as a feature of the general system of accounts without detailed recommendations.

## 6. Voucher.

Good accounting practice prescribes a voucher made in duplicate, the original of which is a statement of account perforated at the point of connection with the check paper. The other half is the duplicate copy, to which the supporting documents are firmly and permanently affixed. In a rigidly adhered to system the vouchers are numbered and passed through a voucher record, where they are entered in numerical order, and when finally passed for payment the checks are given a number and are again entered in the cash book as a credit to the bank and a debit to vouchers payable. The difference between the checks issued and the vouchers payable is the accounts payable of the institution.

There is no question that this is the proper system to use in large mercantile institutions which make a large percentage of their purchases on an extended credit basis. Since practically all chambers of commerce are operating on a cash basis it would seem unnecessary to make the duplicate record. We, therefore, recommend a voucher incorporating on its face the

<i>Endorsement of this voucher is sufficient acknowledgment of the payment in full of account as within stated.</i>	<div style="border-bottom: 1px solid black; height: 100px; margin-bottom: 5px;"></div> <div style="text-align: center; font-size: small;">FOLD HERE</div>
No 12467	<div style="text-align: center;"> <b>BLANK CHAMBER OF COMMERCE</b>  <i>Chamber of Commerce Bldg.</i> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <span><i>To Blank Bank</i></span> <span><i>City State</i> _____ 19__</span> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <span><i>City, State</i></span> <span><i>Dollars \$</i> _____</span> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <span><i>Pay</i> _____</span> <span><i>The Blank Chamber of Commerce</i></span> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <span><i>To the order of</i> _____</span> <span><i>By</i> _____</span> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <span>_____</span> <span><i>Treasurer</i></span> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <span>_____</span> <span><i>Countersigned by</i> _____</span> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <span></span> <span><i>Secretary</i></span> </div>

check and on the back the distribution of the charge; that it be recorded direct in a column cash book and credited to the bank as a check issued and the charges distributed according to the items as recorded on the voucher portion of the document. This should not be a sheet from which the voucher portion can be detached. It should be a single document, and when it is returned from the bank can be filed with the supporting documents in the same manner as a duplicate voucher is filed.

A simple form of voucher is shown on this and preceding page:

DATE	DESCRIPTION	AMOUNT
AUDITED _____ APPROVED _____		

FOLD HERE

DISTRIBUTION		
DEPARTMENT	ACCOUNT NUMBER	AMOUNT

Nº6

## 7. Books of Account.

We recommend the following records as the permanent books of account:

- (a) Cash receipts.
- (b) Cash disbursements.
- (c) Journal.
- (d) General ledger.
- (e) Subsidiary records as needed.



(a) *Cash Receipts*.—This should be a loose-leaf form, ruled, with printed headings, date, name, folio (symbol check), amount and with enough blank columns to bring the sheet to the size of the disbursement record, so that they may both be used in the same size binder or, in the case of the small organizations, in the same binder. The last two columns should be ruled and have headings in blank for bank deposits.

(b) *Disbursements*.—This record should be practically a stock ruled columnar journal sheet. Suggested headings are date, name, folio (symbol check), next column blank, under which would come two headings, account and number, followed by heading "check number" and approximately ten blank columns, which can be headed with department or committee activities. These in turn are followed by two columns with general heading blank for bank withdrawals—this on the theory that many chambers use more than one bank, but hardly more than two in one month, the sheet to be the same size as the cash received sheet.

(c) *Journal*.—This should be an ordinary three-column stock-ruled sheet, preferably 9¼x12-inch size, to be used in the same size binder as the general ledger.

<i>Monthly Statement of Department Expenditures</i>				
<i>Department</i> _____		<i>Month of</i> _____		
	BUDGET MONTH	EXPENSE MONTH	BUDGET TO DATE	EXPENSE TO DATE
1 <i>Salaries</i>				
2 <i>Postage</i>				
3 <i>Printing</i>				
4 <i>Stationery</i>				
5 <i>Auto Hire</i>				
6 <i>Traveling Expense</i>				
7 <i>Rent</i>				
<i>Etc</i>				

N28A

(d) General ledger.—We recommend the ordinary stock-ruled ledger sheet, with debit and credit sides equal, but with the two columns, debit and debit balance and credit and credit balance, on each side of the sheet for the general ledger. This sheet is 9 $\frac{1}{4}$ x12 inches to conform with the journal.

(e) Subsidiary records.—We find that it is necessary in some of the larger institutions to carry subsidiary records in order to amplify the accounts, as shown in the major records.

<div>RECAPITULATION OF EXPENSES</div> <div><i>Current Year to Date</i></div> <div>_____19__</div>								
	A	B	C	D	E	F	G	Total
1 Salaries								
2 Postage								
3 Printing								
4 Stationery								
5 Auto Hire								
6 Traveling Expenses								
7 Rent								
8 Etc								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
Total								

For instance, in the general ledger the accounts receivable account is represented by the membership ledger, which is subsidiary and itemizes in detail the gross total shown in the membership account on the general ledger. This is necessary in other instances such as the distribution of expenditures of committees and departments. These forms can scarcely be standardized to be adaptable to the needs of all organizations, but they should be made to conform strictly to the general system used in the recapitulation of expense and the disbursement records.

### S. Recapitulation of Expense.

In order that this form may be properly kept it is recommended that the accounts of the several departments or committees be standardized as far as possible on the numerical basis. This is provided for in the form of the cash disbursement record. As an example, Department "A" (the "A" being merely used as a designation of a department or committee) would use the numbers from 1 to 20 to designate its activities, 1 being salary, 2 being postage, etc.; Departments B, C, D, etc., would use the same numbering system for detail of items. Thus "A-3," "B-5," etc., would instantly identify a charge. In other words, the prefix (letter) would be the department or committee and the suffix (number) the expenditure.

<div style="display: flex; justify-content: space-between; align-items: center;"> <div> <h2 style="margin: 0;">BLANK CHAMBER OF COMMERCE</h2> <p style="margin: 0;"><i>Chamber of Commerce Building</i></p> <h3 style="margin: 0;"><u>Purchase Order</u></h3> </div> <div style="text-align: right;"> <p style="margin: 0;">No. _____</p> <p style="margin: 0; font-size: small;"><i>Put this Number on Invoice</i></p> </div> </div>			
City State _____ 19____ M _____			
Deliver to _____			
Quantity	Articles	Price	Amount
Ordered by _____ Charge _____		Blank Chamber of Commerce By _____ Secretary	



The monthly summary of expenditures of each department (or committee, etc.) should include this information.

These monthly statements of departmental expenditures are brought together in a general summary as follows: (See p. 362, No. 8B.)

#### 9. Purchase Order.

All purchases should be by order signed by the secretary, issued in triplicate (or quadruplet). A simple form as shown on page 363:

The original of the purchase order goes to the party from whom goods are bought. The first copy, yellow (punched for a loose-leaf binder), goes into a permanent binder, to be checked off when settlement is made. The second copy, pink, is held and attached to bill when received, so that when voucher check is signed it has attached, for the information of those required to approve or certify, copy of purchase order, together with bill.

Where an organization is departmentized there should be as a preliminary to the purchase of goods a requisition, issued by the department manager or chairman, in response to which the goods are purchased and charged to that department. Such a form provides:

This department requisition is also attached to the bill when received so that complete information may be supplied.

#### 10. Expense Account Form.

A suitable form for recording expenses in traveling is convenient and promotes accuracy. Such a form is suggested on page 365:

#### 11. Petty Cash.

For the handling of petty cash items the form on page 366 is recommended:

#### 12. Monthly Membership Record.

A useful form for monthly reports of membership standing, as shown on page 366, gives this data:

#### 13. Membership Prospect Card.

Supplementing the official membership record there should be maintained a permanent prospect list, "permanent" being used to imply that the list is kept up at all times, not made up sporadically when "drives" are contemplated. Such a form is given on page 367:

REQUISITION			
PURCHASING DEPARTMENT		Date _____ 19__	
<i>Please obtain for the use of this Department, the following.</i>			
QUANTITY	DESCRIPTION	PRICE	

Signed \_\_\_\_\_

Department \_\_\_\_\_

N29B

Requisition Order Blank for Supplies.

BLANK CHAMBER OF COMMERCE <u>Expense Account</u>											
<i>The following is a statement of my Expense Account from _____ to _____ 19__</i> <i>(Signed) _____</i>										<i>Charge _____</i> <i>Approved by _____</i>	
Date	Place	R.R. Pullman fare	Hotel	Meals	Taxi	Misc.	Total				

N210

Form for Recording Traveling Expenses.





## MEMBERSHIP PROSPECT

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

PHONE \_\_\_\_\_

LINE OF BUSINESS \_\_\_\_\_

RECOMMENDED BY \_\_\_\_\_

MEMBERSHIP SECURED BY \_\_\_\_\_

REMARKS \_\_\_\_\_

№13

Such forms as the application blank and membership card are not included as this report is confined to those items that are a part of the permanent record of the chamber.

## PART II

In preparing this report the committee on standardized forms has considered the requirements of the small chamber of commerce, the large chamber of commerce, the medium-sized chamber of commerce, and believes that while the procedure necessarily becomes more complex and the forms more numerous and possibly more elaborate as the size of the chamber increases, nevertheless the same principles of simple and sound accounting and (with slight modifications) the same forms are applicable to all regardless of size.

Some of the forms described in part one may not be required by a chamber, let us say, with three hundred members.

Where it is possible to know all or the greater part of the membership personally the relative importance of a system of personnel cards, for example, decreases measurably.

Where accounts are small in volume the ordinary check-book may serve as well as a specially prepared voucher.

In the main, however, all of the records required by the larger chamber are quite as necessary in some form to the

smaller chamber, and if the form devised be the simplest form compatible with sound bookkeeping and dependable results, there is even more reason why the small chamber, which cannot maintain an accounting department with experts in charge, should adopt a system that has fewest possibilities for "grief."

If there is, therefore, a "best" way for keeping membership records and accounts—which best way your committee has endeavored to discover—it is even more important that this best way be made known to the small chamber than to the large chamber. There are certain fundamental principles that apply to the sound administration of the funds of every organization. Briefly these are:

### Principles That Govern

1. The financial operations of every chamber should start with a budget. This calls for an estimate of the annual revenue, deduction to provide a reasonable margin of safety, setting aside of a contingent fund to provide for new activities and unforeseen expenditures, and the apportionment of the balance between the principal activities contemplated for the year.

2. This allotment made, there must be frequent and intelligent reports to indicate its condition. Every month the secretary should have before him a statement which will show:

a. How much money has been spent. b. To what activities it has gone. c. How it has been divided between the basic items of expense common to chamber of commerce activities—printing, postage, rent, salaries and the like. d. How these expenditures compare with those of other like periods. e. The condition of the appropriations against which they are charged. f. How much of the estimated revenue remains to be spent. g. How actual collections compare with estimated revenue. h. The status of the membership, with essential details concerning applications, resignations and delinquent accounts.

Such a statement enables the secretary to administer the funds of the chamber wisely and effectively. Without such information good management is impossible.

3. All expenditures should be authorized in advance by purchase order, signed by the secretary or business manager, thus preventing unauthorized expenditures and making certain that obligations are incurred with a knowledge of the condition of the appropriations against which they are charged.

4. All obligations incurred in any month should be en-

tered in the books before the close of the month either as paid or as accounts payable, so that the monthly financial statement will be the complete showing of the exact condition of each account, and only under such condition can an intelligent analysis of monthly reports be made.

5. The system of accounts should not be a "hand-me-down." It should be made to order—patterned after the best procedure that has been developed in chamber of commerce work. Slipshod methods in the accounting department reflect slipshod methods in the operation of the organization itself. It is the place where sound administration and businesslike methods should start, and starting here, they will extend most rapidly to every department of the chamber's activities.

With these basic principles every chamber of commerce system of records and accounts should tally and the forms already presented are those which, in the opinion of your committee, carry out most simply and directly these principles.

There are important particulars in which chamber of commerce procedure differs and which do not properly come within the scope of our present considerations.

The fiscal year of our chambers is not uniform. The period of billing is not uniform; some bill annually in advance, some semi-annually, some quarterly and some at more frequent periods.

Even where dues are billed annually or semi-annually the practice differs. Some bill all dues at one time, say, on January 1 or January 1 and July 1. Some chambers have a greater number of billing periods. Two chambers have as many as twenty-four.

### Securing Uniformity

As an expression of opinion rather than as a matter of report your committee suggests as desirable and in the interest of uniformity:

1. That the fiscal year coincide with the calendar year.
2. That dues be billed annually in advance. Semi-annual and quarterly payments mean more bookkeeping, more trouble in collecting accounts and more opportunities for a member to resign. Nor does there appear to be any evidence to support the theory—save in exceptional cases, which can be handled individually—that the membership finds it easier to pay in installments.



3. The billing of dues need not be confined to one billing date. There are advantages in the case of medium-sized or large chambers in distributing the work of billing and collection throughout the year. It avoids a peak-load at the beginning of the fiscal year when the attention of the new administration should be devoted to a constructive program of activity.

The most important single record that a chamber maintains is the official list of members (the membership ledger, form one), on which is recorded the charge and the payment of dues. There should be but one "official" list, not used for general reference, but kept under lock and key and used only for the keeping of the chamber's account with each member and as a standard against which other lists required for general reference may be checked from time to time.

The majority of chambers, as will appear in part three, use a loose-leaf form for the official membership list. The advantage where the membership is small is obvious. The pages are held securely in one place and cannot easily be detached or lost. As the number increases, however, the card index develops certain advantages. A binder has limitations, whereas a card index may be expanded indefinitely. With some of the new devices that have come into the market for the safe and convenient handling of card records these advantages are emphasized. For this reason the form recommended by your committee is made applicable for use in either manner.

### Continuous Bound Records

As to the necessity of a bound continuous record, opinion in the committee was divided. The principal argument in its favor is that it stands as a permanent safeguard against error. Cards and loose leaves may occasionally be lost or destroyed and inasmuch as there has been eliminated from the continuous record such items as addresses and other data, which must be corrected and "kept up," so that the effort involved is comparatively small, this form has been included, though it does in fact represent a duplication of other records. This record gives an exact total of dues payable, with which the total billing must agree. Deductions for resignations and other terminations are made in a single memorandum at each billing date, making a proper subtraction from the total.

Billing in almost all cases may be done directly from the

membership ledger forms. Where this is inadvisable by reason of the number of billing dates a tickler may be employed, made up of carbon of the original bill for dues filed in a binder under billing dates.

Certain forms recommended are designed with a view to using window envelopes. This applies to the bill (form four) and the voucher check (form six). This not only effects a saving where the number of such items is comparatively large, but it promotes accuracy and for that reason alone is desirable.

The committee has not gone into great detail with respect to the books of account. It goes without saying that all chamber records must be kept by the double-entry bookkeeping system. This means that the books must be kept by a competent person. That is essential under all circumstances. Where the accounts are comparatively small the bookkeeping methods correspond closely with ordinary practice. As the volume increases the degree of competence of those handling the accounts must necessarily increase. And with the forms and recommendations already presented your committee feels that the systems already employed can readily be adapted to the simplified procedure herein recommended without going into greater technical detail. We have no desire to attempt the unwelcome task of putting the members of the N. A. C. O. S. through a course in advanced accountancy. The forms and principles suggested, we feel, speak adequately in their own behalf.

### PART III

Of the questionnaires sent to the membership of the N. A. C. O. S., 131 were returned. They are classified as follows:

From organizations under 500 members.....	25
Organizations of from 500 to 999.....	40
Organizations of 1,000 to 2,999.....	23
Organizations of from 3,000 up.....	17
	<hr/>
	115
No information.....	16
	<hr/>
	131

These questionnaires were studied for the purpose of determining the best forms for the following records:

1. The official membership record for accounting purposes.
2. Continuous record of members.

3. Personnel card record form.
4. Bills.
5. Budget form.
6. Voucher.
7. Books of account: (a) record of cash received, (b) record of cash disbursements, (c) journal, (d) general ledger, (e) subsidiary ledger or other records.
8. Recapitulation.
9. Requisitions.
10. Expense account form.
11. Petty cash form.
12. Monthly membership records.
13. Membership prospect cards.

Investigation of the replies with respect to the form of the official membership record reveals the following:

	Card			Not given	Loose leaf	Bound	Total
	3 x 5	4 x 6	5 x 8				
Under 500 .....	7	10	..	6	11	1	35
500 to 999.....	5	8	1	2	23	1	40
1,000 to 2,999.....	6	3	4	..	9	1	23
3,000 and over.....	4	1	2	1	8	1	17
Total . . . . .	22	22	7	9	51	4	115

We shall not attempt for purposes of this report to tabulate the replies to most of the questions propounded. In many cases the answers do not lend themselves to tabulation. In others the information revealed is of value primarily to the committee as a basis of its recommendations. The data on billing dates, however, is interesting. The tabulation reveals:

	Fixed Dates				Varying Dates				Not Given	Total
	Mo.	Quar.	Semi- An.	An.	Mo.	Quar.	Semi- An.	An.		
Under 500.....	3	9	8	11	2	..	..	..	2	35
500 to 999.....	6	11	8	9	2	..	1	2	1	40
1,000 to 2,999... 1	6	4	4	7	2	..	..	3	..	23
3,000 and over....	4	3	3	5	..	1	1	3	..	17
Total . . . . .	10	30	23	32	6	1	2	8	3	115

Supplementing this report, the forms of a number of chambers are displayed as exhibits. We cannot show them all, nor have we made a special effort to select the best or the worst. They are presented as a matter of interest and we believe that



a careful examination of each system illustrated will prove as helpful and as interesting to each one who goes over the forms for himself as they have been helpful, not to say inspiring, to your committee.

Our suggestions are left with you for what they may be worth. We believe that much can be gained through greater uniformity in the keeping of records and accounts and trust that this report may aid in approaching that end.

## Filing Systems for Chambers of Commerce

By S. CRISTY MEAD

Files constitute the key to the successful physical operation of an organization office, because they are the repository in which are placed all the papers, documents and material of various types which must furnish the basis of consideration and action by members of the staff, committees and board of directors.

The so-called filing system, therefore, is of fundamental importance to all other operations conducted by the organization. I said "so-called" filing systems because, in my judgment, the facility needed is not so much a filing system, which implies a place in which to put things, but it must be primarily a *finding* system, which implies a repository from which necessary material can be secured with speed, completeness and accuracy.

### Requisite Principles

Requisite Principles. There are five requisites incident to a successful and efficient system:

*First.* It must be a *finding system*; it must not only put the papers out of sight, but must produce them instantly when required.

*Second.* It must be as simple in plan of construction as possible.

*Third.* It must not require an efficiency expert to operate it.

*Fourth.* It must be elastic; that is, capable of expanding with the growth of business and with the least possible alteration or rearrangement of material already placed therein.

*Fifth.* It must *serve* and not *dominate* or *revolutionize* your organization.

### Basis for Filing Systems

From conferences with some professional experts on filing and from a study of the brochures issued by others, I find that it is practically agreed that there are two, and only two, fundamental bases upon which the mechanical construction of a filing system must be founded. These two bases are: First, *Subjects*; and, second, *Names*.

A filing plan is merely a very essential tool in the conduct of the organization business. It is highly important, therefore, that the nature of that business should carefully be considered in order to determine the exact type of filing tool best adapted to serve the requirements of that business.

It will be conceded, I believe, that a chamber of commerce is dealing primarily with principles, that is—*subjects*. They constitute the bases for all committee deliberations and recommendations, for all activity on the part of the board of directors and of the members. Therefore, in chamber of commerce work the filing system should be constructed upon the basis of subjects rather than of names. Names, in chamber work, are merely incidental to the subjects, whether the documents consist of correspondence, reports or any other type. This is true even in connection with such a subject as membership, correspondence in regard to which, from the organization's standpoint, relates primarily to the subject of membership rather than to the individual member.

In this respect a commercial organization differs radically from most business establishments which deal in many cases with only one subject, such as "cotton," or, at most, with a relatively few subjects descriptive of their respective stocks in trade. With such a business establishment the name is the important thing, because its operations consist of personal transactions in which the commodity or subject is secondary, the primary object of the business being to consummate sales, which are personal transactions with their customers.

### Methods of Construction

It is maintained by experts on filing that there are two primary methods of constructing such a plan; one, the direct alphabetic method; and, the other, a numeric method. There

has also been devised a method known as the "automatic index system," which is a combination of the two just mentioned, and which depends largely on certain special physical equipment. Where necessary for special uses one or the other of these methods is supplemented by a geographic system.

Subject filing by the direct alphabetic method consists of arranging in alphabetic order individual folders, upon which are written the subject titles.

Where subjects are divided, the subdivisions are placed in separate folders and filed immediately behind the principal folders, with subject titles and their divisions both shown on the tabs on the subject folders.

Equipment for this method usually consists of compressed board guides for the alphabetical divisions, behind which the individual name or subject folders are placed.

Miscellaneous folders—one for each alphabetic guide—are often used to hold correspondence of a strictly miscellaneous character, or relative to an active subject until the matter has become sufficiently important or voluminous to require an individual folder.

When correspondence, classified by subjects and filed alphabetically, reaches a considerable volume it is advisable to support the file itself with a reference index. The Chamber of Commerce of the United States has in operation such an index.

### Automatic Index and Numeric Method

The automatic index system may also be used for subject filing. This index has two groups of guides. Subjects are filed alphabetically behind the primary guides, and divisions of the subjects are also filed alphabetically behind the secondary guides in the same primary subdivisions.

For a number of reasons I believe, as a result of my studies as well as of experience, that the numeric method is best adapted to subject filing for commercial organizations.

Under the numeric system consecutive numbers are assigned to the principal subjects. These subjects are then divided into as many dependent, or sub-subjects, as seems necessary by the use of an auxiliary number separated from the principal number by a decimal point. This method provides unlimited elasticity with a minimum of disarrangement of the existing filing through additions thereto as new work develops.



When a division of a dependent subject becomes advisable a letter of the alphabet may be added to the auxiliary number. To illustrate: The subject of cables is given the number 99. Under that is a sub-subject of censorship of cables, which is given the number 99.1.

This sub-subject is then divided into four groups: 1. British refund on cables held up, which is given number 99.1a. 2. American censorship, which is given the number 99.1b. 3. Information secured regarding Americanship censorship for censor's office, which is given number 99.1c. 4. American refund on cables held up, 99.1d.

This numeric system has great elasticity as new subjects are added from time to time by simply assigning the next unused number to a subject as it develops. A reference card must be made out for, and a file number assigned to, each subject. These cards are filed alphabetically and give reference by number of folder to any paper in the file.

### Geographic System

The geographic system above mentioned is of use only in special cases where it is desirable to file documents by geographic divisions, and it is so simple that its title fully describes it.

Thus far I have referred to my conception of the principles underlying filing needs and to the recognized methods of constructing filing plans. Pursuant to a request made at the last annual convention, the bulk of this paper will be devoted to a brief outline of the system used in the office of The Merchants' Association of New York.

The association's filing plan is the result of evolution and revolution. When the organization first began its operations the opinion obtained, which was subsequently proved erroneous, that the organization's dealings would be primarily with individuals rather than with subjects. Accordingly there was installed an alphabetical filing system predicated upon names as a basis.

For a few years this operated fairly well because the activities of the organization were comparatively few, the number of subjects dealt with was limited and the filing system, therefore, was relatively unimportant in size and in diversity of matters.

As the association's activities grew, however, it soon be-

came evident that the necessity of securing instantly from the files all papers, whether correspondence or reports, relative to a certain subject could not be met by the alphabetical filing system predicated upon the name basis. Two or three different attempts were made to reorganize the system with corresponding chaos during the time of reorganization.

### Subject Basis and Numeric Plan

Finally there was evolved, out of our experiences and necessities, the conviction that the subject basis with the most elastic method of operation was required to serve the organization's purposes.

This at once produced a revolution in our filing system—a complete change from the name basis to the subject basis, and the installation of the numeric instead of the alphabetical plan.

The numeric plan was selected because of our belief in the greater degree of elasticity and less degree of disarrangement and disorganization of files due to the rapid addition of new and unrelated subjects thereto.

### Centralization of Files

In the first place, as a result of experience, we found it advisable to create the file as a central filing department for all bureaus and branches of the association. We have found that a central filing bureau is the most efficient and satisfactory method, because no matter how large the chamber may be or how many different departments it may develop, all the branches are so correlated that any one of them is apt to need a certain document at some particular time. A central filing department makes this both possible and practicable without losing record of the exact whereabouts of the document at any particular moment. A central department also makes all documents more quickly available to the secretary and other members of the staff whose relations extend to all the various branches or bureaus of the organization. Moreover, and quite as important, is the fact that responsibility for the effective operation of the filing plan is placed squarely upon the shoulders of one individual, namely, the head of the filing department.

It has been my endeavor in making the following descrip-

tion of our filing system as far as possible to avoid being too technical to be readily understood, because the successful use of that system, or of any other system, implies an intelligent cooperation on the part of the users as well as of the file clerks. I would particularly call attention to the rules regarding cooperation as set forth in the description.

### The System

(a) It is a *subject* file. A list of general subjects is kept in a folio arranged *numerically*.

(b) A card index (3x5) is kept of all subjects and sub-subjects, arranged alphabetically within a card file box. This box is kept on the desk of the file clerk in charge. There should be a card for every subject and sub-subject in the files. Each sub-subject should refer back to each main subject heading.

All material sent to the files must show that it has received proper attention.

(a) All correspondence before being sent to the files must be checked or date of reply marked to indicate that it has had the attention of the person in the office to whom it had been referred.

(b) If answer has been made by telephone or personal visitation, this fact should be noted on the letter.

(c) The file clerks are not to receive into the files any material unless they are certain it has had proper attention. For example: A letter is received from B. Brown & Brother dwelling upon two subjects—foreign trade and a request for a publication issued by the organization. It is marked for the persons or bureau concerned. Should this letter reach the files without the necessary check or date of reply to each subject, the file clerk must return it at once for proper attention.

### Carbon Copies

Two carbon copies—a yellow and a green—are made of all out-going correspondence.

(a) The yellow carbon is filed in the subject file. The papers within a subject or sub-subject folder are filed alphabetically. Within the subject file all papers having to do with any one firm, individual or corporation are attached together, the latest date on top. Use pins to fasten papers, as clips result in torn documents and other inconveniences. When it is



sufficiently heavy it is backed up by a cardboard back and held together with an elastic band.

(b) The green carbon sheets serve as a name index and are filed alphabetically. All green carbon sheets addressed to any one firm, individual or corporation are pinned together, the latest date on top. In some instances the correspondence with a firm, individual or corporation is sufficiently voluminous to warrant its being placed in a separate folder. On the green carbon is placed the number of the folder in which the corresponding yellow carbon is being filed. No one has access to the green sheets save the clerks in the filing department. Under no circumstances are green sheets to be taken from the files without the permission of the secretary, and this only when the yellow sheet has been lost, and to permit a copy to be made thereof. If a letter received by the organization is of a nature which requires no answer, or has been answered by telephone or personal visitation, the file clerk makes a green substitution sheet, thus indicating it has been received by the filing department. The substitution green sheet is placed in the alphabetical index.

#### Circular Letters

Two copies of all circular letters are sent to the files with a list of persons to whom the letters are addressed attached to each letter.

One of the copies is marked "circular" and is placed in the proper subject folder. The other is marked "duplicate circular" and is placed in the green sheet index, alphabetically filed under the letter "C." When looking up or matching up incoming correspondence, which very often refers to a date without giving the subject, the file clerk has two places to look for the letter referred to:

1. In the green sheet alphabetical index, under the firm, individual or corporation name; or
2. On the lists attached to the "duplicate circular" of that date.

#### Cross-Reference Slips

If an incoming letter is received containing two or more subjects, cross-reference slips are filled out and placed in the other subject or subjects referred to.

For each document or letter taken out of the files a blue charge sheet (Letter Taken Out) is made in substitute and is

filed in the folder from which the correspondence is taken. This charge sheet remains in the folder until the correspondence is returned, when the slip is destroyed by the filing department.

It is absolutely necessary that all correspondence, reports, papers or documents, which ultimately would reach the files, be sent promptly to the filing bureau. Only in this way can the filing system be kept complete.

If it is desired that papers be returned for immediate or future reference, there is attached to the letter or document an orange "return slip." On this slip the person who wishes the correspondence returned fills in the date on which he desires it and signs his name thereto. A record of the papers to be returned is kept in a diary. It is advisable to use a standard diary blank book rather than cards, as cards are apt to be lost or misplaced. Each morning the clerk in charge of the filing bureau consults this diary, takes from the files all the papers to be returned that day and sends them to the bureau or individuals who have made the requests therefor. The "return slip" remains attached, and when the correspondence is returned to the filing bureau it must bear the O. K. and signature of the person who has requested it. The slip is then destroyed by the filing department. While it is out of the files, of course, one of the blue charge sheets (Letter Taken Out), referred to previously, is placed in the proper subject folder.

### Committee Correspondence

In general, committee correspondence and documents are kept in the general subject file under the proper subject. In other words, we have no special committee file. There is, of course, a certain amount of correspondence, such as calls for meetings, committee appointments, minutes, reports, etc., which must be kept properly filed under the name of the committee to which they refer. For example, a number is assigned to the general subject "committee." A point and number is then assigned to each committee. For each committee there are four folders, as follows:

1. General folder, in which is placed the correspondence concerning appointments to the committee, resignations and notices of meetings thereof.
2. A folder for the minutes, which are bound in a special binder.

3. A folder for reports, which are bound in a special binder.

4. The agenda (often called "docket"), in which is filed correspondence and papers to receive the attention of the committee.

Whenever correspondence, a letter or a document is to be referred to a committee for its attention, this fact is noted on the paper before it is sent to the files. The file clerk places on the green sheet the proper file number. In the subject file is placed a blue charge sheet (Letter Taken Out), indicating that the file is to be found in the agenda folder. The agenda number is placed on the paper temporarily and the paper itself is placed in the agenda folder of the proper committee until it has received the attention of the committee.

#### Agenda Card and Slip

A card index of the material in the agenda of the various committees is kept in the office of the secretary by the file clerk in charge. In this way the secretary constantly keeps informed concerning the material awaiting committee action and the status thereof. Agenda slips corresponding to these cards are attached to the documents in the committee agenda. When the documents have received the attention of the committee the action taken by the committee is noted on the agenda slip attached to the correspondence and the corresponding agenda card in the secretary's index is destroyed. The correspondence is then placed in the proper subject folder, after the agenda number has been changed to the proper subject number.

Very often certain inquiries are received by an organization which necessitate more or less research work. These inquiries are filed in the proper subject folder, under the name of the firm, individual or corporation seeking the information, and all correspondence resulting therefrom is connected up by checking or writing the name of the inquirer on the yellow carbon and on the green carbon directly under the file number within the stamp mark. The yellow carbon copies and their replies are filed directly back of the firm, individual or corporation seeking the information, alphabetically and chronologically arranged. The green carbon is filed in the alphabetical index with the name addressed.

Requisition pads are furnished each of the departments,



which are used in ordering correspondence from the files, or, where time is pressing, requisitions may be made by telephone.

There are two kinds of folders used :

1. Numerical folder—having the tab at the extreme right end.
2. Special folder—having the tab in the middle of the folder.

The numerical folder is the most generally used. Orderliness and neatness of the files are important for securing efficiency, accuracy and speed in handling the material, both incoming and outgoing. When, therefore, the material in a given folder becomes voluminous it is advisable to divide it into several folders, noting the subject number and alphabetical division on each folder. When correspondence with a firm, individual or corporation is sufficiently heavy to warrant it, make a special folder, marking the name and number on the tab.

The special folder is also used for correspondence within a subject folder, which is called for in bulk; for example, the organization receives considerable correspondence requesting it to act in favor of or in opposition to certain legislation. The committee acting on the particular subject writes or recommends that a letter be sent to the federal or state officials or departments interested, informing them of the recommendations of the organization. This is followed up by the receipt of correspondence in reply and is almost always called for in bulk by the interested members of the staff or by the committee. This special folder should have a title placed on the tab in addition to its file number.

### Sorting Tray and Transfer

A sorting tray is very helpful, one half containing a set of alphabetical guides and the other half a set of main subject guides. This insures the finding of indexed correspondence in the files or in the sorting tray and avoids the necessity of spreading correspondence on the desks.

General routine correspondence must either be destroyed or transferred at intervals of three to six months, as the clerks find time. Live, active correspondence is kept in the active file. Inactive correspondence must be kept in the transfer file, following exactly the same system as is followed in the general active

file. Some correspondence can be transferred after six months and marked to be destroyed six months or one year later.

Folders from which correspondence is taken should be marked: "Prior to (date)—(Transferred)."

When a folder with its contents is placed in the transfer files a new folder must replace it in the active file, marked and stamped: "Prior to (date)—(Transferred)."

Folders from which correspondence has been taken and destroyed should be marked: "Prior to (date)—(Destroyed)."

Co-operation of Office Staff. The successful use of this or of any other system implies an intelligent cooperation on the part of the users as well as of the file clerks, to secure which the following rules are strictly observed:

(a) *Rules for Persons Outside of Filing Department.*

1. All outgoing letters and office memoranda should have yellow and green carbon copies.

2. Every letter, memorandum, report, etc., must be dated.

3. No correspondence should be held on the desks awaiting attention. The follow-up system provides slips to be used on all correspondence required at a later date and will be returned as indicated.

4. All correspondence, when sent to the files, must bear either a check, initials or date of reply to show that it has had attention. If answered by telephone or personal visitation, this fact should be noted on the letter.

5. Each letter should contain one subject only.

6. Two copies of every circular letter should be sent to the files with mailing lists attached.

7. All letters sent out of the office should have copies made for the files.

8. No one but the file clerks are to have access to the files.

(b) *Rules for the Attention of File Clerks.*

1. Each morning notices of the day's committee meetings are given the file clerk in charge. A copy of the notice sent to the committee, the replies, the minutes and agenda are taken from the files and given to the secretary of the committee.

2. Correspondence must not be allowed to lie on the desks or counter. Everything classified must be found either in the file or in a sorting tray.

3. All correspondence must be filed alphabetically within subject folders—all papers belonging to one firm, individual or corporation attached together, with latest date on top.

4. Correspondence taken from the files must be replaced by blue charge sheets, which must be removed from file when correspondence is returned.

5. No green sheets are to be taken away from the filing department.

6. *Follow-Up System*—Each morning the file clerk gets from the files all correspondence entered in the diary for that day and returns it to the bureau or individual whose signature appears on the return slip. The slip remains attached and when correspondence is returned to the filing department it must bear a signed O. K. to show that it has received proper attention.

#### Illustration of Subjects, Unclassified

To illustrate the subjects taken as a basis for our files, I cite ten, the first thirty out of the approximately 250 subjects contained in the files without reference to the numerous subdivisions under the various subjects:

21. Publications and reports requested by Merchants' Assn.  
22. City planning. 23. Public buildings. 24. Streets and highways. 25. Street cleaning. 26. Public baths. 27. Tree planting. 28. Memorials and statues. 29. Civic center. 30. Isles of safety.

You will observe that these subjects were arbitrarily assigned their numbers without reference to any particular classification or grouping of correlated subjects. Such a grouping is not necessary, because the card system renders the file readily accessible no matter what number is assigned to a subject, while new subjects can always be added at the end without interfering with or disarranging the position of the subjects already in the files.

#### Illustration of Subjects Classified

In the Rochester Chamber of Commerce, however, the subjects have been grouped or classified under nine main divisions, as follows:

0. General. 1. Government. 2. Civic and social interests. 3. Finance. 4. Organization. 5. Rochester Chamber. 6. Commerce and industry. 7. Agriculture. 8. Communication.



All subjects relating to the first division, "general," which comprises encyclopaedias, directories, books of reference, general and statistical information, etc., are assigned numbers ranging from 0 to 99. The second subject is assigned numbers from 100 to 199, and each one of the nine subjects has 100 main numbers. It seems to me to be only a question of time when the subjects under some one or more of these general divisions will reach a number greater than the 100 numbers assigned to it. This may not be so far in the future as expected. When that point is reached this method of general subdivision will present some embarrassment which is not inherent in the plan followed by 'The Merchants' Association.

To illustrate the system in the Rochester Chamber with the use of subdivisions I quote a brief section from the index of the Rochester system.

General Division No. 6 relates to commerce and industry and is therefore assigned the numbers between 600 and 699. Under this general head of commerce and industry comes the well-known subject of industrial development, which is assigned Subject No. 640, and related subjects are numbered between 640 and 650. The schedule, therefore, is as follows:

- 640. Industrial development.
- 641. Committee organization.
  - 641.1. Industrial development.
    - Sub-Com., alpha.
- 642. New industries.
- 643. Committee undertakings, alpha.
- 644. Factory sites.
- 645. Investment and investors. (People with money to invest in business or those who want additional capital.)
- 646. War inventions council.
  - 646.1. Membership.
  - 646.2. Minutes.
  - 646.3. Inventions.
- 647. Real Estate. Includes land and land value.
- 648. Mercantile agency reports.
- 649.

In conclusion let me say that I firmly believe the subject basis of filing used in connection with the numeric method is the best for any commercial organization, no matter what its size. It most completely applies to chamber of commerce equipment the five requisites or principles stated in the beginning of this paper. It can easily and simply be adapted to the smallest organization and can readily be expanded to meet the

needs of any association, no matter how large it becomes. It is my opinion that in determining the best system for any particular organization it is wise and necessary to start with or to adopt as early as possible one which as far as can be foreseen will meet all conditions during the life of that organization. A straight alphabetic system upon the name basis may be adequate for a small organization in its beginning, but just as surely as that organization grows and its activities increase and multiply, it will, I believe, prove to be inadequate. Therefore, if you would avoid the quicksands of chaotic filing, start with, or speedily adopt a system based upon the principle and constructed under the method which is easily capable of adequate and simple expansion to meet the growth of your organization.

## PART III.

### Qualifications and Self-Training of Secretaries





## CHAPTER XX.

### The Qualifications and Self-Training of the Secretary.

The Qualifications of the Secretary

By WILLIAM GEORGE BRUCE

The promotion of the economic and civic welfare has become the distinctive function of a voluntary body of business and professional men in every enterprising city in the United States. Time and experience have taught that certain duties, in achieving the ends here to be attained, cannot on the one hand be left solely to individual initiative, nor can they consistently be delegated to the local governmental authorities.

They must, in the nature of things, be entrusted into the hands of the collective citizenship, free from political influences and class prejudice, competent to analyze conditions and prospects and apply measures and departures to attain desired ends.

#### In the Formative Stages

The modern commercial organization is still in the formative stages of its development. Its scope and purpose, plan of construction and administrative policy are gradually being lifted from hazy and conflicting conceptions into the light of clearly defined outlines and limitations. Forces which have hitherto slumbered unconscious of the unperformed tasks that lay about them have been awakened into useful action. They have become living, breathing organisms, have assumed definite form and identity and are performing the task which falls to them.

Thus, the elements which have been combined for the purpose of promoting the economic and civic welfare of the community have grown into a fixed institution which, within its chosen field, must lead in thought and action. It must discover the possibilities for material and civic advancement, focus public attention in the direction of laudable projects and crystallize a wholesome sentiment in support of them.

While many of the commercial organizations both in the larger and smaller cities have a definite plan and scope, and work towards prescribed ends and purposes, there are thousands of organizations whose efforts are spasmodic and aimless, and who lack both the elements of permanency and efficiency.

### The Secretary in the Making

There can be no wide difference of opinion upon the claim that the secretary, who aims to serve such a movement or body of men with the highest degree of efficiency, must have

First: A due appreciation of the function and mission of a commercial organization;

Second: An exact understanding of the relation he bears to the organization, its board of directors, to the executive officers and committees, to the membership and to the general public;

Third: A thorough comprehension of the requirements of his position and a determination to equip himself to meet these requirements.

But, if it can reasonably be held that the commercial organization is still in its formative stages then it must also be conceded that the commercial secretary is still in the making. While the general mission and purpose of the commercial organization has been fairly understood the status of the commercial executive has not been defined with any degree of clearness. No standards have been fixed, nor have any definite rules been formulated governing his qualifications or outlining his scope of action.

Men have hitherto been chosen for their character, vigorous manner and general fund of information. An impressive and genial personality, a readiness of speech and a perceptive and receptive mind coupled with certain experiences, have been the generally accepted requisites for secretarial positions.

The relations which the secretary bears to his association, or, more properly speaking, to his board of directors or committees, varies considerably and is governed in part by fixed by-laws and in part by the temper and mental qualities of the several factors involved. In one organization the secretary is merely the record keeper of the office, the clerk who arranges for meetings and who keeps the minutes, and in another he is the accepted leader who gives both inception and momentum



to association effort. In the one the board reserves to itself both the initiative and the executive power, while in the other it sits in a legislative or judicial capacity.

While there are variations from these two somewhat extreme, or at least highly emphasized opposite, relations between secretaries and their boards, the fact remains that this relation has not been standardized or even brought to a general uniformity of rule or understanding.

### Secretary and Board

I have intimated that the attitude which the secretary bears to the board is influenced by the relative mental capacity of the two. If the secretary possesses the power to impress the board with a superior grasp of the problem in hand, the facility to present the same clearly in its several aspects, and the point with assurance to a logical solution, he will assume a larger place in the association deliberations. If he is gifted with tact and judgment he will secure for himself a wider latitude and authority. If he proves himself the intellectual equal of his associates, coupled with the application of diplomacy and skill in dealing with both men and affairs, he will soon become the dominating factor of his organization.

With the development of the commercial organization, its purposes coming into stronger relief and its activities assuming definite form and character, it logically follows that the qualifications of the commercial executive are put to a relatively stronger test. His duties will become more exacting and will involve to a greater degree that intelligence which sees opportunities and at the same time the path that leads to their realization.

The secretary must be the storehouse of ideas, innovations and policies and must exercise that discrimination which distinguishes in them the feasible from the impossible and the substantial from the trivial. The board must serve as the final hopper which separates the grain from the chaff.

### Action and Achievement

The impetus which has been given to commercial organizations by the creation of the Chamber of Commerce of the United States of America has also directed attention to the importance of the secretary as a controlling factor in promotional

effort. It has done more. It has led to an appreciation of the fact that an organization cannot be vigorous and effective unless the secretary be energetic and efficient; that an organization cannot realize its highest aspirations unless the secretary be a man of originality, of action, of achievement.

Some one may here suggest that a strong president and board will eliminate the necessity of a strong secretary. The answer to this claim is that the average business and professional man who serves on a board or a committee can give little or no time outside of the committee meetings. He may submit an idea or suggestion but it is more likely that he expects to deliberate over and express his approval or disapproval on what has been planned by the secretary and submitted in some tangible form. The salaried secretary gives his sole thought and effort and his entire time to the association while the unsalaried director is expected to give it his occasional attention only. The latter, therefore, expects merely to sit in judgment on what the executive officer has originated and devised. I may also here add that it always requires a strong secretary to reckon with a weak or erratic committee.

### A Semi-Public Character

The qualifications sought in a secretary will, in future, command a wider range and will be subject to closer scrutiny. His status, too, will be more clearly defined. His office which is semi-public in character will be subject to the praise or condemnation of the press and the public, the association members and the board.

All these factors will not only seek in the secretary character and ability in an ordinary sense, but will exact expert knowledge on promotional subjects as well as a wide range of information. The day of the dashing, hurrah, circus-style secretary, the man who talks glibly and lacks stability of character and a solid education, is gone by. The future will demand in a stronger degree a thoughtful, well-balanced man, who by virtue of his mental equipment, his broad vision, and dynamic powers can meet every exigency and condition and command the confidence and cooperation of his associates.

If the future demands a higher type of man in executive secretarial duties, looks for expert knowledge and that culture and training which can most readily be gained through higher

institutions of learning, then the position will be elevated into a distinctive profession.

### The Promotional Expert

Nor is this prospective view of the situation an unreasonable one. The demand for men capable of assuming the management of commercial bodies is constantly growing. With it has grown the demand for better men and the payment of better compensation. Two institutions of learning, Harvard University and the University of Wisconsin, are inaugurating courses for commercial secretaries, which embody subjects in political economy, civics, sociology, and concrete problems in town development. The young men thus equipped and trained will enter upon their duties with an understanding of the fundamentals in promotional effort and with a scientific knowledge of the principles that must govern in the solution of all local economic and civic problems.

Here I do not hold that the secretary of the future must necessarily be a college graduate. The man of native ability and resourcefulness will here assert himself just as he does now in the commercial and industrial field.

In outlining the future am I predicting too much? Am I setting standards which are too high and therefore unattainable? Will the commercial organization of the future exact high and well defined qualifications?

I am firmly convinced I have not aimed too high in my predictions or that I have fixed unattainable standards. The day of the expert has arrived. With the advancement in all lines of human endeavor, with the constantly increasing demand for greater efficiency in the channels of trade and commerce, in agriculture and transportation, in government and education there will come also greater concentration and efficiency in community advancement. Collective effort must find its leadership in men who are big of heart, of mind and of vision. It must find its best expression in that community progress which recognizes both the material and the ideal. In the assembling of community forces, in the collation of ideas and efforts, in lending direction towards the achievement of desirable ends, there must be the calm head and firm hand of the expert executive.



### A Summary of the Several Functions

First: The mission and function of the commercial organization.

Second: The qualifications of the commercial secretary.

Third: The relations between secretary and the organization.

#### 1. The Organization.

(a) The aim and object of the commercial organization is to foster, protect and advance the commercial, industrial and civic interests of the community.

(b) To bring the advantages of geographic location, topography and environment to their highest stage of development, utility and attractiveness.

(c) Prompt progressive thought and action in all that will make for an enlightened, contented and prosperous community.

#### 2. The Essentials of a Commercial Secretary.

(a) He must be a man of character, of moral force, and endowed with a strong human sympathy.

(b) He must possess a liberal education, the power of expression in speech and in manuscript, and a fund of information along practical lines.

(c) He must be grounded in the principles governing economics, political economy, civics and sociology.

#### 3. Relation Between Secretary and Board.

(a) In the main the function of the board is legislative and judicial, while that of the secretary should be executive and administrative.

(b) The board deals with questions involving policies and expenditures and all new departures, innovations and undertakings. It deliberates, determines and decides.

(c) The secretary originates, initiates, devises and recommends and becomes the administrative right arm which carries conclusions and instructions of the board into execution.

Here it also logically follows that the prerogatives and authority of the executive will become more clearly defined and expressed. He will stand in a relation to his board similar to that of the superintendent of schools to the school board. He

will be the promotional expert and general executive just as the school superintendent is the educational expert and general administrator of the school system. In prestige and as a useful factor in the life, efforts and tendencies of the committee his position will be similar to that of the mayor of the city. While he will be less assertive in the eyes of the public, he will, nevertheless, be the most forceful non-political, non-partisan leader in all movements making for material progress and civic and social betterment.

He will be the receptacle for the best thought and impulse of his community, the fountain from which springs that pride and patriotism which stimulates loyal citizenship; the loyal warrior who constantly seeks to realize its fondest hopes, its highest ambitions and its noblest aspirations.

## CHAPTER XXI.

### The Most Helpful Secretarial Literature

By ROLAND B. WOODWARD

This paper can be only suggestive. But in order that it may contain suggestions, we must inquire what the secretary would or should like to be helped to do. What constitutes an ideal secretary—what is he engaged to do? The answer to that question is as varied as the men here and the communities from which they come.

It is simple and sure that a man, in order to play an important part as an efficient secretary, in shaping the development and work of his organization, should know the resources of his community—namely, its raw materials, its wealth and its people. From these must be produced or utilized its opportunities. But he must do more than have a knowledge of its resources. He must know how to guide and inspire its people (especially those in his own organization) to use the community's resources.

To get out of every member of the community, through organized effort, the best that is in him for the benefit of the whole community, that's the secretary's job; to guide the units in a community in working together for the community good; to direct those efforts, and manipulate those units, so as to achieve the best results with the available materials, money and men.

A man cannot know and continue to know; he cannot inspire and continue to inspire without feeding his mind and his spirit. The better his preparation for his difficult task the more he desires to keep open the sources of knowledge and of power; the poorer his preparation, the more he needs to open up or to keep open the sources of knowledge and power.

The secretary's work, to aid him in doing which he requires "helpful secretarial literature," is, therefore, fourfold:

1st. A perpetual vision of the ideal conditions and human relations which he covets for his community;

2nd. A knowledge of whether—and how—such ideals have been realized or are being realized in other times or places;



of the difficulties met and overcome; of the difficulties that have proved insurmountable—and why! Of available instruments for carving out his “ideal” and knowledge of how to use them.

3rd. Mental processes that will devise ways and means where there is no precedent to point the way.

4th. Wisdom and persistence to direct the human element; a genuine love of his fellow-men to enable him to work in harmony with them and to inspire them to work harmoniously with one another.

### Reading as a Helpful Factor

It is to “make good” on this “job” that the secretary needs help; and making good is infinitely more than merely satisfying his employers. The necessary equipment for the man undertaking this “job” comes from various sources, of which reading is one. In discussing this one, I do not for a moment belittle the others, some of which are: inherent qualities; early training and environment; physical condition; experience; the experience of others—either seen at first hand—as one does in traveling, or heard of by word of mouth; personal contact with inspiring personalities; educational equipment before undertaking this work, and not planned with an eye to it.

Measure up these three—size and quality of the job, the necessary equipment, and the sources from which it is obtained—and you see that each item of equipment can be improved or added to by reading. Nor does the importance of reading as a source of equipment minimize in any way the importance of the other sources, any more than the value of intelligence minimizes the importance of education, or the value of our sense of hearing minimizes the value of sight.

It is evident that altogether different kinds of reading are required to perfect the various kinds of equipment, and that in some cases, it is more necessary than in others.

In order that my suggestion might be based on others' experience and opinions as well as on my own, I sent to fifty or sixty secretaries a questionnaire which was supposed to be built on the principles of a nut-cracker, that is, I hoped it would expose all the “meat” of the matter.

Two things which it exposed quite clearly were a difference of opinion on some points and a lack of opinion on others; thus forming a basis for discussion, if not for conclusions. One conclusion, however, is unavoidable—that there is great need for

systematic winnowing, in order that the secretary may concentrate his reading effort on the things which he needs and not fiddle it away in a confused mass of irrelevant and uninspiring matter.

### Vision and Enthusiasm

Because of the "vision," the ever-present picture in the secretary's mind of the ideal to which his community should aspire, is the first essential in the secretary's equipment, I shall take up first those questions which bear on this. Among my questions were these:

"To what extent do you rely upon reading to sustain your enthusiasm?"

"Upon what kind of literature can you rely for inspiration?"

"What kind of literature is most apt to enlarge your vision, to increase your desire to accomplish? Increase consciousness of ability to accomplish?"

Judging by the responses, the consensus of opinion appears to be that one accidentally "happens upon" inspiring articles. Of those who specified certain kinds of reading for this purpose, at least two-thirds referred to such literature as furnishes accounts of things now in process of accomplishment, such as publications of commercial organizations, Town Development, The American City, The Nation's Business.

### Knowledge

So much for the vision! How about the knowledge! The knowledge of what industries have the best opportunity to thrive in our locality; of which can be made to thrive that do not now; of how all local resources can be utilized for the community's greatest profit; knowledge of how to give the citizens the best opportunity to develop themselves, how to conserve their health, their property; knowledge of which other communities are facing our own problems—and how they are solving them; knowledge of the effects of indifference as well as of the benefits to be reaped from an awakened public interest; knowledge of the character of soil in which will thrive the plant of civic righteousness and the common good; knowledge of how our own community can best play its part as a fraction of the whole nation; knowledge of how "to promote commerce and industry," by pro-

tecting it from unfair and hampering laws; how to prevent accidents in shops, on the street, and in the home; how to prevent waste of life and of property by fire; how to cooperate for better industrial and commercial training for those who work with us in store, office and factory; how to improve the transportation facilities, which bring people to us and carry our products to them; how to abate smoke and other nuisances; how to apply arbitration so as to reduce business friction; how to utilize our unused assets—the power of our rivers, the possibilities of our lakes, for pleasure and for business; how to extend our acquaintance and influence by bringing to our community groups of people in their conventions; how to cooperate with every village and city in the community in the solution of its problems.

Now, here are the questions I asked in order to find out to what reading commercial organization secretaries look for the necessary information to accomplish these things:

“To what extent do you rely upon reading to sustain such knowledge of current events as is necessary for your work?”

“Cite instances of direct connection between what you have read, and new activities planned, undertaken or accomplished.”

“Where do you find the most complete, or most reliable information as to what other cities are accomplishing in:

- A. Increasing number or size of their industries?
- B. Increasing volume of their retail and wholesale business?
- C. Keeping their name favorably before the public?
- D. Obtaining and keeping good transportation facilities?
- E. Utilizing available power?
- F. Making their city desirable residentially by increasing educational facilities; improving sanitary conditions, civic and public morality, quality and quantity of amusements, community spirit, beauty of streets, buildings and parks; establishing playgrounds.”

The only noticeable difference in the replies is that some few secretaries—or so one would judge from their replies—indulge in no reading but that of the daily newspapers. With the exception of those whose Bible is the newspaper, there is, except in the estimated importance of the reading matter mentioned, a striking oneness of experience and opinion.

All appear to look to commercial organization reports, The Nation's Business, Government Reports, The American City,



Town Development, The Municipal Review and local New York newspapers, reports of city planning conferences.

Other sources mentioned, but by fewer, are Fire Prevention News, publications of the New York Bureau of Municipal Research, Municipal Engineering, World's Work, Literary Digest, Continental newspapers, City Traffic Journals, Housing, Conventions' Reports, Architectural and Building Journals, Outlook, Advertising and Selling, Printer's Ink, The Era, The Survey, Special Reports of The Alexander Hamilton Institute, Editor and Publisher, The Independent, The Proceedings of the Secretary's Association.

### The Flood of Printed Matter

This brings me to a plaint made by practically all, with some suggested solutions of the problem concerned:

I cannot read everything that comes in; and

I do not see nearly all the valuable reading matter which is mailed to me.

I do not see one of ten of the pamphlets that come to my desk.

Much of the best mail never reaches my eye.

The man in the large office, with a corp of assistants often does not see much of which would interest him most deeply, while the secretary of the smaller organization, the one who, so far as the office is concerned, is playing a "lone hand," naturally cannot read everything that comes in.

Both feel that a winnowing machine is needed, to automatically throw out the chaff and save the wheat. While almost all experience this need, comparatively few have systematically attacked the problem.

Here are a few who have:

I have an office arrangement whereby various members of the staff are requested to clip out items of interest in any and all publications that come to the office; these are pasted on cards, and come to my desk before going to the files.

I now have regularly upon my desk the editions of fifteen house organs which seem to be of the greatest value, and a member of the staff glances through all—giving to the different men in the office such articles as may be of special interest to the departments of which they are in charge.

I maintain a scrap-book containing clippings from commercial organization publications and other sources calling attention to activities that seem to me to have merit.

One of my stenographers looks over and marks the morning papers for me, and another gives attention to the evening papers, and still another gives attention to the various weekly and monthly magazines. The assistant who discovers something of particular importance to this office or to myself im-

mediately calls my attention to it. I try to look over the headlines of everything marked each day—though often I do not succeed.

In my own office I am now trying a new sifting arrangement. Each member of the staff is asked to mark anything which he thinks would especially interest the secretary, to attach a memo thereto, giving the number of the pages on which the notations have been made, and to place it upon my desk. In this way the secretary gets, with the minimum expenditure of time, the maximum of real nuggets. Many books and pamphlets which heretofore I would have felt it necessary to look through myself, I now send to a member of the staff who afterwards returns it marked in such a way that I can in two or three minutes get all the meat there is in it for me.

The file clerk also, before filing articles clipped by any member of the staff—the initial on the article shows who sent it to the files—passes such articles to any other member of the staff whom she knows it would interest.

We not only have the local papers marked, but clipped and pasted, so that everything on a given subject can be kept together. This arrangement which has been in effect for several decades, we consider the only practical method of handling that which concerns or interests the organization, in the local newspapers.

#### **Educational Equipment—Reference Matter**

My questionnaire did not concern itself with what should constitute the standing reference library of a commercial organization, or with what should be a secretary's preparation for secretarial duties. Among the responses, however, these points were touched, and some indicated such serious thought and analysis. I shall quote from a letter by William George Bruce:

The modern commercial secretary, in order to exert the necessary influence and command leadership, must be the intellectual equal of his associates. He must primarily be a well informed man on all current events in the economic and civic life of the community, the state and the nation. His general educational qualifications must be sufficiently high to enable him to estimate the meaning and value of tendencies and departures in the industrial, commercial and political movements of the day.

While he cannot be expected to be a student of every subject, or an expert on every problem, he can have such general information at his command as will enable him to point out the purpose or meaning of this or that effort and to secure the specific information upon it when desired or required. In that capacity he becomes a general factotum, a sort of clearing house, for that information which may serve the interest or purpose of his organization.

The literature with which a commercial secretary should familiarize himself may be divided into what I would term the cultural and the vocational. The one makes for a grasp of fundamentals, the other of current equipment.

The Cultural Studies. In order to lay an educational basis the secretary should be familiar with one or more standard books on economics, political economy, civics and sociology. The governing principles in commerce, finance and transportation. The principles of government and fundamentals in sociology should be within the grasp of every secretary. Any of the standard text books in these branches of studies will serve the purpose.

### The Vocational Studies.

He should be familiar with:

The Workman's Compensation Act of his State.

The Federal Reserve Board and the Currency Act.

The Power and Scope of the Interstate Commerce Commission.

The Federal Trade Commission, its Scope and Powers.

The Foreign Trade situation, and the best thought on Foreign Trade Promotion.

War Tax Laws, and National Income Tax.

The Power and Function of the State Public Utility Commission.

The leading measures before the city council, county board, state legislature, and national congress.

Regarding books that should be at every secretary's hand for ready reference the following have been mentioned:

Lists of City, County, State and Federal Government Officials.

Important Government Reports.

Local Tax, Water, Gas and Electric rates.

Classified lists of local business houses and manufacturers.

Congressional Directory.

While I shall not attempt to go into this exhaustively, since it is not strictly speaking "reading matter"—few people would sit down to enjoy an hour reading local tax rates or lists of officials, I will say that to the lists of books kept for immediate reference should be added:

Telephone directories of the principal cities.

National and international trade directories.

The "World's Almanac."

The best Atlases obtainable.

Commercial organization annual reports.

Annual reports of important local, state and national organizations; such, for example, as the National Association for the Promotion of Industrial Education; National Housing Conference; American Public Health Association.

The question of what should constitute a commercial organization reference library is simple beside the question of what a secretary should read to keep himself posted with such



information as he can make use of in directing the activities of the organization; and this, in turn, is simple in comparison with the other question, as to what reading is going to give each individual man the best boost in vision, enthusiasm, tenacity of purpose, perseverance and single-mindedness.

We have seen that certain sources are recognized as furnishing necessary information required, but that some of these are recognized as yielding a higher percentage of information than others; also that the percentage of yield of some of these sources can be increased.

Studying this phase of this subject has led me to ask whether it would not be possible, in order to place the experience of others at our disposal with the minimum of trouble to one's brother secretaries, to compile annually an index of the activities engaged in the previous twelve months by commercial organizations? Then, when one of us wants to profit from the experience of the other fellow in any particular direction he will know to whom to address his inquiry, and will not, in finding the information he wants, ask twenty secretaries who have no information to give him; nor will he skip the very one who could tell him most. He will know into whose annual report to look for what he wants. Such a yearly index of commercial organization activities would make it possible for us to find what we want when we want it, thus saving our time and making it possible to spend more of it on cultural or inspirational literature.

### Inspirational Factors Neglected

When we come to this phase of the subject, there is no escaping the deduction that as a class, we often subsist on prison fare when we need, and can have for the mere exertion of reaching forth, ambrosia and nectar of the gods.

One man quotes Lord Bacon: "Reading maketh a full man; writing an exact man, and conference a ready man"—and nothing is more sure than that we willfully impoverish ourselves when we might choose fulness of life if we neglect to appropriate the riches that are ours for the taking.

What if we do find that inherent qualities, physical condition, companionship with inspiring personalities, the need of our own community, and the knowledge of what other communities are doing, inspire us with ideals of what we covet for our

own community, is that any reason why we should rest with self-satisfied complacency at this point?

When one considers what a small number of the inspiring personalities and great achievers of all time are alive today, it scarcely seems possible that any one should deliberately confine himself to the study and contemplation of his contemporaries. Musicians do not drop the study of Bach, of Wagner or Beethoven because these are no longer with us in body; artists do not drop the study of the methods or the finished product of Turner, Michael Angelo or Rembrandt because they cannot meet them face to face. And just as it can be said of men whom we pronounce great because of their achievements in art or music, so it can be said of many a one great because of his achievements in other directions—in those directions in which we ourselves are working—that “He being dead, yet speaketh.” Are we then going to close our ears to their spoken message as well as to the message of their methods and achievements simply because other messages come to us from men with whom we can shake hands and who can grace our banquet tables?

Nor only does the reading of what, for lack of a better term, I shall call inspirational literature, enrich the reader, but it undoubtedly increases his capacity to profit from all other current sources of inspiration, such as travel, companionship of great men, observation, experience.

Is it not possible that there is a lack of inclination to exert one's self mentally when one is not obliged to and does not anticipate any direct, concrete result? Emerson says: “Every man is as lazy as he dares to be.”

But looking merely at what we can get is like looking at one side of a building; the other side, what we can give, is equally important. A secretary gets to give! At least he should “Get to give.” Sometimes, however, he “forgets to give.” If he needs vision, inspiration, ideals, to do that which he is paid him to do, how much more do the members of the organization require them to do that for which they are not paid. A secretary needs to make himself “All things to all men.” No man can be that without filling in what Nature and previous education have left lacking.

### Necessity for Selecting

Here we come again to the necessity for selecting. No two men are lacking in precisely the same directions; each man

must analyze himself to discover his needs, before he can intelligently search for the material to supply that lack. Each one of us must find how to supply that lack in his own nature, education and experience which will enable him to meet every man on some common ground; which will enable him to give to every man he meets something that man needs or wants. Only in this way can he have that sympathy with, and insight into, all natures which will make it possible to get the best service to the community out of all.

I have one clear impression from all this inquiring—the successful man reads and reads things that have permanence.

Did you last year read and love a great book? Have you made great books your friends? All great leaders have been men of vision—men of vision, not visionaries. There are more men of vision in the village library than in the halls of Congress. Cultivate them, for in their silent pages you will find knowledge, inspiration, refreshment and fulness of life.

### Literature Suggested

By Roland B. Woodward: "The conference on 'Helpful Secretary Literature,' through the courtesy of Professors Jones, Albert and Cherington, suggest for immediate use of secretaries the following books, most of which can be found in any public library:

1. Harrington Emerson, *The Twelve Principles of Efficiency*.
2. F. W. Taylor, *The Principles of Scientific Management*.
3. F. C. Howe, *The Modern City*.
4. Richard T. Ely, *Outlines of Economics*.
5. Jenks and Laucks, *The Immigration Problem*.
6. H. M. Hurd, *Principles of Real Estate Valuation*.
7. T. N. Carver, *Rural Economics*.
8. H. A. Toulmin, *The City Manager*.
9. *Bulletin of Columbia University, Studies in History and Political Science. Scientific Management.*

By Prof. Edward D. Jones (University of Michigan): In the literature of administration there is, first of all, biography, which is infinite in amount, from ancient Plutarch to modern Bradford, writing of Lee, The American, and varying in quality from the stern stuff which came from under the heavy hand of Carlyle to the light workmanship of Sainte-Beuve. For the study of benevolent tyrants there are Mommsen's chapter on Sulla and Julius Caesar. For tenacity of purpose there is Thayer's Cavour. It is well to seek out the great analyzers of human motives, such as Samuel Johnson, Bacon, Bulwer, Goethe and Emerson.



The philosophy of joint action may be found in the wisdom literature, extending from Proverbs to Bacon's Essays. There is much of it in such maxim writers as La Rochefoucauld, as well as in the pungent paragraphs of Goethe. Besides these, there are pertinent treatises by lesser men not to be overlooked, such as John Foster's *Decision of Character* and Sir Arthur Helps's Essays.

Military science deserves careful attention as the most highly developed branch of the art of handling men. The great work in this field is that of General Karl von Clausewitz, the Father of German Strategy. It bears the simple title *On War*. Especially attractive and penetrating among recent works is Col. Vaché's *Napoleon at Work*.

To offset a possible influence of harshness emanating from the literature of the science of war one should study the relation of industry to the universal hunger of the human heart for what is beautiful. Here two names suggest themselves to us at once: John Ruskin and William Morris.

In conclusion, and with all due humility, perhaps I may be permitted to refer to a work of my own entitled, *The Business Administrator; His Models in War, Statecraft and Science*, in which an attempt has been made to draw suggestions from the history of the great forms of administration to bear upon the question, what is the ideal conception as to what a business leader should be in America today.

This list, which may seem very forbidding, in reality has to do with books which are charming, and written, for the most part, by great men, whose characters make a deep impression upon one who earnestly seeks to become acquainted. To enjoy the best literature is to acquire a habit. A habit is only slowly acquired. To acquire the habit of reading good books two things are essential, first, not to undertake too much. It is more reasonable to undertake to read a certain kind of books fifteen minutes a day than to ambitiously plan for solid evenings of reading and then throw over the effort after a few trials. Second, having formed a program of reading, to do the assigned amount daily, and without fail, until the old habits are readjusted and the new habit is firmly fixed. Only then can one permit himself postponements and exceptions.

Plutarch, *Lives*, Boston, 1902; *Political Precepts*, Boston 1906.

Bradford, G., *Lee*, The American, Boston, 1912.

Especially, "History of Frederick II of Prussia;" and "On Heroes."

See Works, Centenary Edition, 30 Vols., N. Y., 1896-1901, or any other good edition. These works may be purchased separately at very moderate prices.

Mommsen, T., *History of Rome*. Trans. by W. P. Dickson, 5 Vols., N. Y., 1903. On Caesar is Bk. V, Ch. XI. On Sulla is Bk. IV, Ch. X.

Goethe, J. W., *The Maxims and Reflections of Goethe*. Trans. by T. B. Saunders, N. Y., 1893.

Foster, John, *On Decision of Character*, N. Y., 1875.

Helps, Sir A., *Essays Written in the Intervals of Business*, London, 1890.

Von Clausewitz, Gen. Karl, *On War*. Trans. by Col. J. J. Graham, 3 Vols., London, 1908.

Col. J. B. M. Vachéé, *Napoleon at Work*, N. Y., 1914. (Macmillan.)  
By Paul T. Cherington of Harvard University:

"Social Economics."—

- R. T. Ely—*Outlines of Economics*.
- I. B. Cross—*Essentials of Socialism*.

Business Law—

- E. W. Huffcut—*Elements of Business Law*.
- J. J. Sullivan—*American Business Law*.

Accounting—

- H. R. Hatfield—*Modern Accounting*.
- W. M. Cole—*Principles of Accounting*.

Commerce—

- J. Russell Smith—*Industrial and Commercial Geography*.
- T. N. Carver—*Principles of Rural Economics*.
- G. H. Powell—*Cooperation in Agriculture*.
- L. D. H. Weld—*Marketing Farm Products*.

For special industries many books exist. These are too numerous to list here. Any good book store can give suggestions. See also special lists of books on business subjects, such as that issued by A. C. McClurg of Chicago, and that by The Ronald Press of New York.

Government—

- James Bryce—*American Commonwealth*.
- W. B. Munro—*The Principles of Municipal Administration*.
- F. C. Howe—*The American City and Its Problems*.
- H. A. Toulmin—*The City Manager*.
- Graham R. Taylor—*Satellite Cities*.
- N. P. Lewis—*The Planning of the Modern City*.

City Growth—

- R. M. Hurd—*The Principles of City Land Values*.

Management—

- F. W. Taylor—*Principles of Scientific Management*.
- Harrington Emerson—*The Twelve Principles of Efficiency*.
- The System Co.—*Scientific Office Management*.
- M. T. Copeland—*Business Statistics*.

Dealing With Men—

- W. D. Scott—*Influencing Men in Business*.
- Hugo Muensterberg—*Psychology and Industrial Efficiency*.

## CHAPTER XXII.

### College Training for Chamber of Commerce Secretaries

What Education Is Doing for Secretarial Efficiency

By PROF. WM. A. SCOTT

I have no name to suggest for this profession, but I believe it is in process of evolution out of the existing secretaryships. The chief duty and function of the members of this profession, in my judgment, will be to give expert advice to municipalities on all matters that concern their economic, social and political life, and to lead them toward the goals at which they ought to aim. A very considerable part of this work is already being performed by many, but I believe that gradually the scope of operations will be enlarged until it covers all the ground I have mentioned.

The life of every modern municipality presents four main aspects—its industrial, its commercial, its political and its social aspect. The industrial life in a municipality comprehends its manufacturing interests. Every municipality is bound to engage in manufacturing to a greater or a less extent, but the kind of manufacturing and the amount of manufacturing that ought to be promoted in any particular municipality depends upon a great many conditions, some of which are, possibly, international, some national and others local in character. It is a matter of prime importance to the prosperity of a city and of the nation to which it belongs that it should develop those manufacturing industries for which it is fitted, and that it should be prevented from undertaking those for which it is not fitted. Too often manufacturing industries are solicited by a city and even attracted, without adequate consideration of the conditions upon which their prosperity depends, and of the fitness of the city to supply those conditions. Misfits thus occasioned are unfortunate from every standpoint and result in injury to the city and to the people immediately concerned, because these misfits have very often retarded instead of promoted the prosperity of the city.



The time has come, in my judgment, when these misfits can be prevented by expert advice, and an expert advisor is needed to prevent such misfits, as well as to call the attention of the city to its unused opportunities and its undeveloped resources. If these matters are left solely to chance and to the parties immediately concerned, these misfits will continue to occur and the normal development of the city will be retarded.

### Stimulating Commercial Life

The commercial life of a city comprehends the distribution among its own citizens of the goods produced and manufactured within its borders, for every city, of course, must distribute home products to home consumers; the marketing of its surplus manufactures; the distribution among its own citizens of goods produced outside, but needed for their consumption, or as raw materials for their manufacturers and the distribution of goods between outsiders. Involved in this work is complicated transportation and financial machinery, warehouses, stores and markets.

Several kinds of expert assistance are needed for the proper functioning of this department of city life. In the first place, the part that the city in question is fitted to play in each of these lines of commerce can only be determined by a very careful study of conditions. The local distribution of local products is, of course, necessary, but what part of the work of marketing, of surplus manufactures and of distributing outside produce among home consumers, and what part of the work of distribution for the territory in which the city is located can economically and profitably be undertaken, can again only be determined by a careful study of the entire distribution problem from the standpoint of the nation, state and district in which the city is located.

Once the share a city ought to have in the work of distribution is determined, the acquisition of the necessary capital and labor is the next problem. Sometimes private initiative is adequate for the solution of this problem, but frequently it is not. Many a city has failed to realize its commercial destiny, because its advantages were not revealed on the capital and labor markets. Unaided private initiative and undirected local pride and enthusiasm often make grievous mistakes in this field. The undertaking of commercial enterprises for which a city is not fitted

is bound ultimately to result in loss and sometimes in disaster. Only the best expert advice and aid can avert such misfortunes.

### Political and Social Life

The political life of a city includes all aspects of its government. Every other department of its life is affected by this one, and its importance is so well understood at the present time that no emphasis of it is required. Neither is it necessary to speak of the deficiencies of American cities in this particular. The best expert advice is certainly needed here, and it is here that such advice is least heeded. Times are rapidly changing, however, and the unprejudiced public-spirited and well-informed student has the confidence of the public today to a greater degree than ever before. The municipal expert is destined to triumph in this field also, and when he does a brighter day for our municipalities will dawn.

What I have described as the social aspect of city life comprehends the fields of education, religion, art, sanitation, etc. Some of these have received much attention for a long time; others have been neglected. We have experts in each of them, but we lack the expert who knows how to coordinate them with all the other departments of city life. It is this species of expert that the new profession of which I am speaking will supply.

I believe that the need of this new profession is urgent, even though it may not yet be fully appreciated. Competition in many fields has broken down, and the era of public regulation of our industrial and commercial life has dawned. Under our system of government the solution of this problem of regulation is bound to be slow and to be accompanied by mistakes and friction. The interests of our cities will need to be carefully guarded throughout this period, not in any selfish spirit, but in the spirit of the broadest patriotism and in the light of the fullest knowledge of their proper places in the nation's economy.

Further evidence of the urgency of this need may be found in the maladjustments which unregulated competition, unwise legislation and the undirected city development of the past have produced. These maladjustments have made themselves felt in the form of local industrial depression—actual failures—bad living conditions and increased poverty. They ought to be removed, but only a skilled hand and a wise head is competent for this task.

### Breadth of Knowledge

The type of man required for this new profession is made evident by the functions I have assigned him. In the first place, he must have unusual breadth of sympathies and of knowledge. The many-sided municipal life which I have outlined can not be appreciated by a narrow man, and keen appreciation of the importance of the harmonious development of all aspects of municipal life is a *sine qua non*. A mere consciousness of their existence will not suffice. Without thorough appreciation, the necessary motive power and interest will be lacking.

The necessary appreciation can not be attained without breadth of knowledge. The man who is fitted to advise a municipality regarding the matters I have indicated must have at his command all that science, art and experience are prepared to contribute concerning them. He can not rely upon intuition, casual observation, or even "horse sense," valuable as all these are. The archstrategist, in other words, of the social life of the community is what we are looking for.

In order to acquire and utilize this knowledge a man must be in complete command of his mental faculties, and must have a well developed imagination. This means that he must be trained. The faculties of the mind, as well as the muscles of the body, must be developed through training. One must learn to reason, to concentrate, to form correct judgments, to do consecutive and long continued mental work and to express his thoughts in forcible and convincing language. These powers are not born with us, and do not, like Topsy, "just grow."

In addition to breadth of sympathies and knowledge, the professional man I am describing must have been well endowed by nature, and must have developed a good character. The volume of work he will have to do implies health, physical strength and right methods of living. The mental equipment required can only be developed out of a naturally good mind, and the character demanded implies the possession of a strong personality—the elements of which must be a gift of nature—good morals, tact and skill in handling men.

### Kind of Education Required

If my analysis of the duties of this new profession, and of the qualities which its members should possess, is even ap-



proximately correct, the need for education is obvious and may be assumed. We, therefore, turn to the question of the kind of education that is required. What kind of education will give a man, with a good physical, mental and moral equipment, the breadth of sympathies and of knowledge and the general and special training which this new profession demands? That is the question before us.

I have already called attention to the fact that the acquisition of the special forms of knowledge required in this process of education must be preceded by a form or forms of training which will give the man command of his mental faculties. That fact is very often forgotten in the consideration of this subject and the assumption made that any man who wants to prepare himself for this kind of work should proceed at once to the study of the special branches of knowledge that have direct application to it. Educational experience, however, the accumulation of centuries, tells another story. In the development of the reasoning faculties the imagination, the powers of concentration and of expression, mental endurance and the ability to consider without bias all sides of a question and all the facts that must enter into the correct solution of a problem—some educational instruments are not only better than others, but are indispensable. The power accurately and forcibly to express one's thoughts, for example, can not be acquired without the study of language and certain forms of literature, and without an enormous amount of practice, under competent criticism in the use of one's mother tongue. One must learn to reason by reasoning, and some subjects of study are greatly superior to others for this purpose. Mathematics, for example, has no peer as an instrument for developing the capacity to draw correct conclusions from premises and to concentrate the attention. History trains and tempers the judgment and broadens the sympathies.

In short, the man who wants to prepare himself for this profession can not dispense with the educational instrumentalities supplied in our primary and secondary schools, and must expect to secure the special training for this profession in our higher institutions of learning, especially in our colleges and universities. Indeed, experience has shown that young men and women are far from prepared for highly specialized studies when they pass from the high school into the college and the university. It is for this reason that most of the higher

educational institutions of this country continue through at least the first two years of college the use of some of the educational instrumentalities employed in the high school.

After a man has gained control of his mental and spiritual faculties, what educational instruments will best prepare him for the peculiar duties of this most exacting profession?

During the last century and a half, based upon valuable materials contributed by learned men of the ancient and mediæval world, several bodies of knowledge have been built up, known collectively as the social sciences. These are capable of supplying the instrumentalities needed for this purpose. The most important of these are physical and economic geography, political economy, political science, sociology and history.

Physical and economic geography reveals the location of those natural resources which are the basis of the world's industries, and the natural, social and other influences which determine the location of the industries developed from them. It supplies a large part of the information needed in the determination of what a city should and what it should not attempt to do.

### Value of Political Economy

It must be supplemented, however, by political economy, which reveals what we know regarding national housekeeping in all its phases. It presents an analysis of all the factors of national economic life, the laws in accordance with which they operate, and the political, social and other regulations best fitted to secure the maximum of economic prosperity. It treats, among many others, of such subjects as the interdependence of nations, of the various subdivisions of each nation, and of man upon man; the principles which determine the organization of industrial units of each branch of industry and commerce, and finally of all the industries of the world, the laws of value and price, the machinery of exchange and the distribution of wealth, the relations between government and industry in all their aspects, including public expenditures and income and their effects upon industries and individuals, public regulation of industry, sanitary measures and public education, and the functions and relations of labor and capital. This body of knowledge throws light in a thousand ways upon the problems that confront the commercial secretary and is absolutely essential to their correct solution.

Political science is the science of government. It treats of the machinery and functions of government and of all things which pertain to the political life of a people. It teaches what forms of government are best for nations, states, municipalities and other political units, under the different conditions of their existence, and what political methods are best adapted to accomplish the purposes of political life. To this end it has classified and interpreted the political experience of the race and indicated its application to modern conditions.

### Sociology a Coordinating Science

Sociology is a coordinating science and cultivates the field left vacant by the other social sciences. It analyzes and describes the forces which hold men together in society, and which explain the innumerable forms of social organization. In this connection it reveals the nature and influence of such fundamental forms and institutions as race, sex, religion, marriage, divorce, immigration, emigration, colonization, government, etc. It analyzes the causes of poverty and crime and records the experience of the world in the treatment of these and other social diseases. It records finally what science and experience has to teach regarding the interrelations and interactions between individual characteristics and social institutions and conditions. It throws floods of light upon dozens of problems with which the commercial secretary must deal.

History is a record of the doings and experiences of the race and an interpretation of that record. No man can understand present conditions and problems in this or any other nation, in his own city or in any other, without a knowledge of the past conditions and problems out of which they developed. Our present life, in all its aspects, is a product of the past, and the present conditions the future. History is, therefore, an indispensable means for the training of the municipal expert.

One after another these developing bodies of knowledge have been incorporated as subjects of study into the curricula of our educational institutions, especially into those of our colleges and universities. In a hundred places in this country and in all the great universities of Europe and most other parts of the world one will now find facilities for their study. But until a comparatively few years ago little effort had been made to select from these great treasure houses the precise things



needed for the equipment of men for various specific tasks. It was assumed that each man would be able to make the selection for himself, or to utilize for his own life purposes those parts of knowledge accumulated during the process of his education, adapted to this purpose and to that, and that he could select for himself, out of the abundance at his disposal, the instrumentalities needed for his proper training.

### Attitude of Universities

Within recent years, however, some of the leading universities of the country have taken a different view of the matter, and have recognized the need for specialized courses of study adapted to the needs not only of men planning to enter the so-called learned professions of law, medicine and theology, but also of engineers, business men and various classes of public servants. The engineering courses were the first to be developed, and it was not until about 1900 that a beginning was made in the development of courses for the other classes. In this latter field the University of Pennsylvania, at Philadelphia, the University of California, at Berkeley, and the University of Wisconsin, at Madison, were pioneers. Their example has been followed by Dartmouth College, the Universities of Illinois, Michigan, Minnesota and Chicago, Harvard University and many other institutions. The new courses are differently named in different institutions, the most common appellations being "Course in Commerce" and "Course in Commerce, Finance and Accounts."

These courses supply most of the instrumentalities needed for the training of the members of the new profession to which, in the incipient stages of its development, you gentlemen belong. They need only to be supplemented by two or three other courses, which I shall presently attempt to describe. In support of this statement I wish briefly to describe one of these courses. For this purpose I shall use the one in my own institution, not because I wish to claim for it superiority, but because I am most familiar with it.

Our "Course in Commerce," so-called, requires four years for its completion, like the other university courses, and like them, too, confers upon its graduates the degree of Bachelor of Arts, and admits the graduates of high schools who have completed the usual preparatory-for-college studies.

Incorporated in the curriculum for the first two years are the usual non-specialized courses, in continuation of those pursued in the high school, designed to complete that training in the power to reason, to make accurate judgments, to express one's thoughts orally and on paper, etc., which I have already indicated as necessarily precedent to the successful pursuit of specialized studies. To some extent, however, these have been modified so as to yield certain by-products of a somewhat special character. The foreign language courses, for example, lay emphasis upon training to speak and write rather than upon the acquisition of the capacity simply to read literature. The course in mathematics includes the mathematics of investment, life insurance, etc., and the course in English includes commercial correspondence.

### Specialized University Courses

These courses are accompanied by others in physical and commercial geography, elementary political economy, money and banking, transportation, economic history and accounting, upon which are built the specialized courses of the last two years. These specialized courses of the last two years are also accompanied by a thorough course in commercial law, and in the organization and management of business concerns.

The chief feature of the work of the last two years, however, is the grouping of courses, to meet the special needs of the young men who come to us. So far as possible we fit the case of each individual, but our most completely developed groups are arranged for the training of accountants, statisticians, consular officers and bankers.

At the earnest solicitation of my friend and counsellor for many years, and your worthy President, Mr. William George Bruce, of Milwaukee, in 1913 we provisionally arranged a group for the training of commercial secretaries. It consists of a combination of courses in political economy, political science, sociology and history, and as soon as the demand warrants we plan to supplement these with a course descriptive of the work, methods and problems of chambers of commerce, and to accompany that with field work, which will give candidates for secretarial positions some practical experience.

We have made a beginning only, but we intend to develop this group with the same care and thoroughness we have de-

voted to the others I have mentioned. In this work we need and must have the assistance of all secretaries. The information upon which these courses must be based must come from them, and the field work which should accompany them will be impossible without their cooperation.

In the development of this group we shall keep in mind the larger problem which I have been discussing. The development of this new profession should be hastened as much as possible, and we are ready to do our part in bringing this about.

## The University and the Secretary

By PROF. EDWARD D. JONES

The principles of economics are operative upon various planes: from the consideration of the details of the financial life-plan of an individual, they ascend to the policies of great nations in the world struggle for land and markets.

1. Private Economics. There is first of all what may be called private economics; a subject commonly referred to as the science of personal efficiency. Here the aim is to instruct the individual in the development and use of his personal resources. This subject Benjamin Franklin enriched with many an axiom, such as:

"A used key is always bright,"

"It is hard for an empty bag to stand upright," and

"Honesty is the best policy."

The literature of personal efficiency has been greatly improved in recent years by reason of the more searching comparison of individual records made possible by the elaborate recording systems of great businesses.

2. Business Administration. The second plane of economic action deals with the policies of private businesses. In university circles this subject is often denominated business administration. For the most part it has to do with the economic utilization of material agencies, that is to say, with applied science; with the manipulation of value relations, as in financing and accounting, and with the administration of human nature; as illustrated by the work of the general executive.

3. Local Economics. As we pass forward from the policies of small units to those of larger size, it is obvious that the



next plane of economic policy has to do with the combination of individual businesses to form efficient villages, cities and distinctive regions.

4. National Economy. Fourth, we have national economics, better known as political economy, which deals with the great balancing processes of demand and supply by which the general levels of rent, wages, interest and profits are determined. In the consideration of the larger aspects of a nation's commerce and industry such topics arise as the tariff, the immigration problem, the national banking system, and the relation of public to private activity.

### Undeveloped State of Local Economics

Reviewing these various strata of economic activity, one overlying the other, we find that the branch of the science which is least developed is the third one, or the study of the economic structure and economic policies of a city or a locality.

When a young man starts in life, there is an immense amount of valuable advice available to him, as to the general ordering of his private finances, and as to the personal habits which make for material prosperity. And, if he combines with other men, and enters a business concern in a managerial capacity, where he will have to do with the formation of policies, there is abundance of knowledge within reach with reference to such matters as organizing and financing, the laying out of the shops, the formation of labor policies, the installing of accounting systems, and the building up of a selling campaign. But now, when we take the next step in the integration of economic forces and ask how that business concern shall conduct itself with other businesses in the same locality, so that the resources of the place shall be fully used, or so that a completely equipped industrial or commercial center shall be brought into existence, we find that practice is halting, and that economic science, apart from a few pious platitudes, is practically silent.

This lack of definite knowledge is the more surprising when we consider that men have lived in cities from the earliest time, and that the derivation of the word "political," in the title "political economy," refers us back to the age of city-states.

Men work individually to produce wealth. They work in small groups as firms and corporations. They work also in

national groups through comprehensive public policies. How do they—or how ought they—to work in village and city groups?

What is the economic structure of a city?

How ought an economic survey to be conducted to determine whether or not a city is serving its tributary territory satisfactorily?

What, for example, ought a village of 2,500 people to be as a market for a surrounding agricultural region?

What are the necessary agencies for a New England mill town, in order that such a place shall be a good home for labor and capital?

What special agencies should a great metropolitan market possess?

Are we clear enough in group analysis to say when a manufacturing center is large enough to have a local foundry, or a mill supply house; or when a special market should have a trading floor?

Do we know the essential conditions for success with public markets or public employment bureaus?

I believe that some of the causes of this remarkable defect in economic science are our over-emphasis of the function which individual initiative plays in business, our constant talk of competition, and our defective view of competition as a state of pure antagonism. These are all signs of lack of faith and lack of discipline.

### Present Opportunity

But whatever the retarding causes may have been, one thing is certain: The opportunity is now at hand for making a beginning in the systematic development of local economics. The many associations represented in this convention indicate a national movement in American business for individual concerns to work together for the local good. Everywhere men are exploring the possibilities of working together profitably in larger groups. What may be called an extra-competitive field of enterprise is being discovered.

In this work the universities will take their part. The business world is the laboratory of original experiment in economic matters. The universities are the systematizing and teaching agencies which conserve and disseminate the truth that has been discovered. If you, in your associations, discover

how the economic agencies of a locality can be made more efficient through joint action, it will become our duty to teach the results to college men. The knowledge which commercial associations gain of local economics it will be the duty of the universities to collect and reduce to systematic statement, so that the charm of the friendly doctrine of cooperation, and the profit of business amity and local patriotism may become firmly fixed in the minds of coming generations of college graduates.

### Proofs of Business Solidarity

This experimentation may be undertaken with confidence. There is no doubt but that the solidarity of interest which actually, or potentially, exists between business interests is much greater than has been supposed by any but the foremost of our business leaders. It begins to look as if there were an opportunity for the scientific management of the economic interests of a locality, which promises results similar to those now being achieved by the application of scientific management to individual establishments. The indications of this which reveal themselves in the study of business administration are very strong. Let us notice some of these signs of solidarity of interest in business.

The theory of private business administration is being developed, not as a series of complete studies of individual lines of business—such as a science of furniture manufacture, or a science of machine shop operation—but as an elaboration of the individual phases or aspects common to many industries.

Practically every business has

1. A set of problems concerned with equipment and physical processes.
2. Each has a financial phase, involving the art of raising funds and of satisfying the demands of different classes of creditors.
3. Every business has an accounting problem, which has to do with the organization of a system of records to truly report income and expense, assets and liabilities.
4. So also every business has an administrative aspect, concerned with the choice of persons, the delegation of authority, and the creation of a sufficient incentive for every man.
5. Likewise, every business has a distributive or marketing problem.



The study of these various aspects of business reveals the fact that progress in any one of them is not so much made by an individual establishment distancing all rivals and moving forward alone, nor even by a branch of trade growing in perfection far beyond all others, but rather by a lively process of interchange of ideas between establishments in the same line and in different lines, so that all move forward together. In short, there is in practical business a cross-fertilization of ideas and an interchange of equipment exactly like that in scientific research.

Let us consider a few illustrations of this law of progress.

### The Equipment Phase

Take, first, the equipment problem. In factory construction the principles of slow-burning or standard mill construction were worked out by the compilation of New England mill experience by factory mutual insurance companies. These simple but extremely valuable principles are now available for all builders.

The Corliss cut-off on the steam engine was originally designed to make the impulse of the engine sufficiently even for spinning delicate threads of yarn, but the improvement served to perfect the engine for a thousand uses.

The system of interchangeable parts, so essential in all industries making or using mechanism is, as it stands today, the work of half a dozen lines of industry. The first steps were taken in the manufacture of muskets for the United States Government. The further development, involving the evolution of machine tools, the attainment of greater accuracy in the dimensions of parts, and the devising of a system of stock parts to permit repair by replacement, we owe, in historical order, to the sewing machine manufacturers, the makers of agricultural implements, the bicycle trade, and the automobile industry. Everything with reference to physical equipment in industry shows the carrying of ideas back and forth, and the reaction of one industry upon another.

### The Accounting Phase

Another illustration of the necessity of diverse businesses keeping in touch is provided by the theory of cost accounts. Businesses of uniform character, such as spinning and weav-

ing, where all items of outlay tend to rise and fall together, elaborated first the percentage methods of distributing expense. The skilled-labor industries supplied us with the man-hour system. The modern machine shop has perfected the machine-hour plan, and is experimenting with the idea of charging by production centers. The modern cost accountant thus has available a variety of expedients, and in a complex industry can select and proportion his elements, creating a system specially adapted for the necessities of the individual case.

As the evolution has been in the past, so contemporary progress is undoubtedly being achieved. One of the most intelligent ways of training efficient cost accountants is to bring the men of various lines of industry together, so that they may throw light upon discussions from many different points of view. This plan is being followed in Detroit under the auspices of the Board of Commerce.

### The Administrative Phase

The next aspect of business enumerated in our list is the administrative. Administration is such a great subject, and so replete with illustrations of the interchange of helpful influences between different businesses, that we must let it pass, contenting ourselves with one example.

The subject of welfare work is under lively debate. Suppose an establishment proposes to open an employees' dining room for the midday lunch. If the management looks about, what does it find—a state of apparent contradiction. One establishment has tried a dining room, and pronounces it the greatest success of any of its efforts to ameliorate the condition of employees. Another establishment has failed with similar plans; and it may not be evident that the reason was unfriendly feeling, or a rapidly changing force, or village conditions, or poor cooking. One plant arranges for a dinner at a cost of fifteen cents and succeeds, the force being highly paid mechanics manufacturing an expensive automobile. Another plant fails with meals at ten to twelve cents, because its men are foreigners on low pay. These men really needed simply a place to keep food cold or hot, and a cup of coffee or a bowl of soup to supplement the solid food of the lunch pail. One establishment succeeds with flowers and linen, while another drives its patrons away by the same means.

In the study of any given line of welfare work it is necessary to compile the history of many cases before the practical limits of various plans become definite; and before the law of variation of policy in response to conditions is manifest. But individual businesses have not the time to conduct thorough-going studies of every administrative policy they employ. There is an immense amount of money annually wasted in welfare work because the policy is followed, of doing a thing for the reason that it has succeeded with some other firm. This handling of policies is as crude as would be the handling of equipment if an engineer installed a given arrangement of shafting and belting in a waterworks station because it had succeeded in a spinning mill. What is more reasonable than that commercial associations should become clearing-houses of needed information, supplying data as to the conditions essential to success in each type of welfare work, or as to plans for regularizing employment, or as to the new methods of paying wages.

### The Marketing Phase

We noted that every business has a marketing or distributive phase. How is a good buying and selling center created?

(a) Merchandising involves the measurement of quantity, requiring a system of weights and measures, and trade customs concerning permissible variations.

(b) It involves measuring the quality of goods, requiring a system of grades, and means of certifying grades, and grading experts, and even conditioning laboratories. Think of the labor of the Board of Health of Westfield, Mass., to establish but one point in the quality scale, namely, the point which separates pure food from impure food.

(c) There is needed the means of holding merchandise, a matter which involves a warehouse industry, and practical laws relative to bailments.

(d) It requires, also, adequate assortment, or a variety of merchandise matching the variety of want. In so far as the out-of-town buyer is concerned, this does not mean the assortment of any one concern so much as it does the assortment of the market as a whole. But if no one is responsible for the market as a whole, who is to know how many buyers from the naturally tributary territory go elsewhere?

It is said that, some years ago, Marshall Field discovered



that certain important western buyers were going east past Chicago, to buy such things as hotel furnishings and the general merchandise used by railroads. The cause was found to be that these buyers had to go east for rails and structural steel, and so took their other orders along. The remedy applied was the promotion by Mr. Field of steel works in the vicinity of Chicago. This is a case where a great captain of industry made himself the correlating agency.

(e) Next to an adequate assortment we may mention fair prices as a necessity for successful merchandising. The formula for fair prices (in so far at least as general market policy is concerned) is to bring to bear on each transaction all possible elements of supply and demand. This means bringing the past and future to bear upon the present, by means of adequate warehousing and cold storage facilities. It means bringing the state of the market for one commodity to bear upon that for another article (when one is the derivative of the other), through the presence of converting interests. It involves bringing the price of money to bear upon the price of goods, by making such arrangements that goods become a safe collateral for loans. It involves, also, bringing to bear upon the prices of any given market the prices of other places, through the active exchange of quotations. All this means a commercial interlocking process which can only be made to approach perfection by definite planning.

(f) Besides fair prices, a market requires means of suspending payment, so that goods may freely pass from the hands of those who have more merchandise than opportunity into the hands of those who have more opportunity than property. This calls for a credit system, safeguarded by adequate reports, by the ready application of mercantile skill in handling bankrupt stocks through the work of a credit adjustment bureau, and by the systematic prosecution of fraudulent debtors.

(g) Again, a market requires local trucking. This is probably one of the most wasteful forms of American industry. Until the coming of the motor truck, this work was abandoned to the easy-going methods of the jovial Irishman. It yet suffers scandalously from duplication of plant, from amateur experimentation in pavement construction, and from congestion in alleys and at bridges and terminals as a result of defects in city planning. The Chicago Municipal Markets Commission

has estimated that "the average wagon or truck spends about one-third of its time actively hauling commodities on the street and two-thirds of its time in waiting, loading, unloading, and in delays to traffic."

(h) There is required also long-distance transportation. Happily we can say that Federal laws have partly, at least terminated the scramble of individual shippers after railroad favors, and have made possible the system of having traffic departments under the control of commerce associations, and working in the interest of all the shippers of the locality.

(i) Finally, a market needs various incidental equipments to make the trading process easy and agreeable. How grateful a relief is a hotel modeled after a refined home rather than after a flamboyant lobster palace. And perhaps the amusement industries will leave a more attractive memory if they are a little above the so-called tired-business-man standard.

### Intelligent Joint Effort

It is evident from this that a market of fair size is about the most complex thing, and about the most social thing, the mind of man has devised. A good market—good for its size—is rare. Most markets fall ridiculously short of their possible efficiency. In his wonderful book "The Harbor," Mr. Ernest Poole describes America's greatest port. He speaks of the tangled railroads pouring in their traffic, of boxes and bales shifted hither and thither in a perfect fever of confusion and delay, and of long lines of trucks and wagons waiting hours for a chance to get into the docksheds. The whole waterfront has developed pell mell, each railroad and each ship line grabbing sites for its own use, until the port, like a mighty patient, is strangled and, with swollen veins and arteries, labors to breathe. And then he says, "To see any harbor or city or state as a whole is what most Americans cannot do. And it's what they've got to learn to do."

A good market does not happen. It does not emerge Phoenix-like from the fires of competitive hatred; nor blossom from the narrow stem of policy known as every-man-minding-his-own-business. It is the result of intelligent, persevering, joint effort. We may profitably borrow suggestions from countries which have had a longer experience with the modern city than we have had. Study the equipment of Manchester



by which it holds its place as the queen of the cotton trade. With its accurate grading, its easy financing, and its innumerable dealers and factors, including equipment houses, consigners, insurers, forwarders, packers, and translators, all bound together through the Royal Exchange, it possesses a perfection which is the result of what, I suppose, narrow-minded persons would call "self-sacrificing" effort. But it serves the world, and enriches an important section of a great nation. Study also, the German cities as models of cleanness and beauty and easy growth and economy of effort.

### Conclusion

A word in conclusion. As business agencies multiply, and the structure of business becomes more refined, it is increasingly true in industry that "No man liveth to himself, and no man dieth to himself."

The doctrine of efficiency began in America as an individual philosophy—a Benjamin Franklin proverb—and we learned it so well that the word "Yankee" became synonymous with shrewdness. But the age of corporations has taught American business men to work with confidence in groups. Individual initiative has broadened into firm initiative. And this second lesson, likewise, we have learned, until it can be said that no policies are more romantic in their daring than those of American firms. And now that this achievement is familiar, we are taking the next step, and are learning to work together in still larger groups—in units of villages and cities. I have faith that we shall learn to do this also, and shall ultimately so excel in it that our cities, when considered as evidences of comprehensive intelligence, shall no longer be our disgrace.

As we exterminate another legion of enemies to our welfare—suspicion, and inadequate information, and ill-coordinated effort, and useless duplication—an increase of prosperity will be certain. But, aside from tangible measures of welfare, there is another great advantage coming. Men are enjoying business more because business is revealing a nobler aspect. They are finding out what decent fellows their competitors are, and how many fine things they dare combine to do with their competitors.



# Conscious Training for Chamber of Commerce Secretaries

By PAUL T. CHERINGTON

In going over the ground there were two questions for which I sought answer at the very outset before attacking the problem of the form which the course was to take. In the first place, what is required of the modern secretary? In the second place, what provisions are now in existence for equipping a man with those requirements?

Very early in my attempt to codify the requirements of a secretary, I found there was one group in which we could not expect to give much direct help. This is perhaps the most important group of secretarial requirements, the personal features. That indefinite, intangible, but exceedingly important thing known as tact, is a thing absolutely beyond acquirement by a course of training. Certain methods may be worked out by which a man can gradually acquire the appearance of tact, and can avoid certain of the worst blunders of tactlessness, but tact, we recognized at the very beginning, was one of the things which lay beyond our province. Skill with men is another thing closely allied to it, partly a matter of practice, but mainly a matter of temperament. Ability in mastering routine is another thing. I simply mention these two or three to let you know that we have not overlooked these immensely vital parts of a secretary's equipment, but that we have not yet seen any way by which we can do more than help a man if he is willing and able to help himself.

But there is a second group of secretarial requirements for which it seemed to us we might be able to supply real training. All of these relate to a knowledge of and familiarity with, existing facts, and the development of habits of thought and habits of work. These we believe we can go a long way towards supplying, and we believe also that they can be supplied more easily, more successfully in a conscious training at high pressure, taken by a man who devotes his whole time to that training, than they can be by a man doing it incidentally to make a

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*Note:* It should be explained that Prof. Cherington speaks here from the standpoint of an instructor. He has for some years concerned himself at Harvard University with the training of young men for the secretarial field.

living and without the pressure of direction and suggestion upon the part of those who are conducting the work.

### Secretarial Training

Our problem, then, was not that of turning out a completed secretary, because we recognized at the start that there were certain things we could not do for a secretary, but our problem resolved itself early into seeing what we could do and then devise, if possible, a method for doing these possible things which would be better than any existing method for providing this training.

To the existing methods for secretarial training, we also gave attention. Unconscious training, none of us need be told, has developed some men who are better than the man we can count on producing by a system of conscious training. The test, however, will come in the measuring of our average product against the average run of men who are untrained or who have been unconsciously trained for the work. The newspapers, of course, have supplied most of the present secretaries or at least they have supplied more than any other one single source, and there is no more valuable training in the world for almost anything than is newspaper work. I have a stock bit of advice which I give young men who come to me, asking me about going into newspaper work, I say: "By all means go. The only warning I would give you is do not stay in it too long."

The chief fault with newspaper training is that it tends to make a man scrappy in his methods of thought and work. Any man who is doing ten jobs a day gets in the habit of doing ten jobs at once and doing them at the rate of ten jobs a day, and then when he must make a long flight he flutters.

Business experience is another good training for secretarial work. Some of the best secretaries in the profession have come up through business training, but the diversity of the requirements for a secretary, make training in one line of business a little bit hazardous. It is apt to make a man narrow and to make him lean a little bit toward his own line of business. While, if he can get some kind of training which takes the place of ten or twenty years, each spent in many kinds of business and will give him an idea as to how the whole ground lies, it

has some advantages over training in one special business, great as are the advantages of that kind of training itself.

### The Basis for Development

The professions have supplied some very able men. Thought habits, cultivated by a lawyer, thought habits and work habits developed in other lines of professional training have done the work well in many cases. But the point is that what we have tried to do is to find some way of conscious training which will take the place of unconscious training and start a man in this new profession at a point where he may not only develop farther than the man who starts in not having his bearings, but also may move more steadily in the right direction. In other words, it is not a question of our two years versus two years anywhere else. What we want to do is turn out a man with two years of training who can go into a secretary's office as an understudy and after five years of real practice added to his two years of training, be a bigger, a broader and a better man than if he had spent all seven years as undersecretary. That is what we are driving at. We do not want to turn out a man who thinks he knows the secretarial business after two years of listening to other people, or after experimenting in one or two lines of secretarial work, but a man who, as the result of men, with experience in the actual trying of his wings in short flights, can see what the secretarial profession is. And having seen, we want him to be willing to invest the hard work and the long hours, and all of the other big investments that must be made by a recruit, whether he be trained or untrained, to make himself a fit member of this profession. The man we are looking at is not the man as we turn him out. What we want to know is how the man who started some kind of unconscious training two years ago and today goes into a minor position in the secretarial field, can after five years more, be compared with the man whom we have had for two years and who has then had five years of the same kind of secretarial work. Two years of unconscious training plus five years of secretarial work versus two years of conscious training plus five years of secretarial work, that is the measure by which we shall judge our success or failure.

The things we hope to develop are thought habits, work habits, and breadth of view. We want our men, above every-



thing else, to have an appreciation of the responsibility and the bigness of the job. We want them to see the unlimited possibilities open to the organization which they serve and open to them as servants of those organizations and the interests which they represent.

## Secretarial Efficiency and the College—From the Standpoint of the College

By PROF. ALFRED L. SMITH

The influence of the college in increasing efficiency in the secretarial profession depends solely upon the efficiency of the instruction given in the college. In education for this particular profession, as in education for any other, efficiency of instruction depends in turn upon the successful solution of four problems, namely, (1) The problem of obtaining the correct human material; (2) The problem of determining, gathering, and arranging the necessary and the best subject matter; (3) The problem of developing and using the methods of instruction best adapted to the needs of this field of education; (4) The problem of so placing graduates that their collegiate training may be used to the maximum benefit of themselves and their employers, and their contact with practical organization work be such as to round out their theoretical training most efficiently. These problems are not stated in the order of their importance; it would be difficult to determine that. I believe, however, that in developing this type of education in any college these problems will arise in this order, as they have at the Tuck School. The problems of human material and instruction methods are largely educational, and I believe must be solved in great part by the college itself. In the successful solution of the problems of subject matter, and placing men, I believe the college needs, and should, therefore, welcome, the closest cooperation and the best advice of men actively engaged in the profession.

To be brief, among the fundamental business courses which every student should take, and a knowledge of which perhaps the commercial executive will use most frequently, either knowingly or unconsciously, are those we call distributive organization and management, comprising a study of the organization

and problems—especially of advertising and selling—of marketing agencies, such as retailers, jobbers, wholesalers, brokers, commission merchants, cooperative associations, and mail order houses; factory organization and management; financial organization and management; accounting; transportation methods and problems; and statistics. One important result of a knowledge of such courses is the ability which it gives a commercial executive to grasp immediately, and discuss intelligently with business men their particular problems. The application of these courses, however, is often more direct.

### Rudiments of Retail Trade

An elementary knowledge of merchandising principles, as you all know from experience, is essential to successful work with mercantile committees or associations. The secretary, to be a valuable aid, must know the rudiments of retail trade strategy; to be a leader he must be thoroughly informed of the problems of the various mercantile businesses. In the management of cooperative merchants' weeks, and advertising and selling campaigns, the secretary's knowledge of advertising principles and methods may mean the difference between success and failure. I believe that in most communities the most foolish thing that can be done to fight mail order houses is to advertise them by beseeching people to trade at home, when at the same time the merchants refrain from using the most powerful weapons that they possess, namely: Excellent store service, decreased selling costs, attractive window displays, pleasing advertisements, and a sound strategy regarding the conduct of sales. If a commercial organization is to aid its members in fighting mail order houses in the manner I think most efficient, the secretary must thoroughly understand merchandising principles and methods.

On the general college training plus familiarity with business fundamentals should be superimposed a special course on commercial executive work. The problem here is to give a course neither too theoretical to furnish the student a working knowledge, nor too detailed and technical to provide the student with that broad and keen insight into the proper relation of the organization and its activities to the business world and the real reasons for its existence. The danger is from the latter rather than from the former. My opinion is that the func-



tion of the specialized course goes no farther than to give the student a complete and clear idea of the true functions of a commercial organization, a knowledge of the common types of organization, and the reasons for and relations of committees, bureaus, and sub-ordinate associations, a familiarity with ordinary activities, and some detailed knowledge of a certain few activities which are rather technical, or which have now been so standardized as to warrant consideration. It is very easy to introduce much superfluous matter while straining to include actual methods employed in conducting a wide range of activities, or even a few which may for some reason appeal either to the instructor or to the students.

### A Course of Study

The following is an outline of a Tuck School course as presented last year:

#### Part I—Organization and Functions

1. History and development; 2. Functions; 3. Prominent activities; 4. Type of organization.

More emphasis is placed on this part of the course than on the others because it is of the most vital importance that the novice know the true functions of a commercial organization, and realize "that teaching the community to think," as one of my friends, Lucius E. Wilson, says, is one of the big jobs of the commercial organization, and that important as is business development of a community, it is necessarily subordinated to the broader community development. Without such a rock to stand on, a young secretary is in great danger of being swept away by the waves of selfish desires, unjust criticisms, unwise projects, and utter misunderstanding of the true functions of a commercial organization. It is said "familiarity breeds contempt," but it is just as true that familiarity breeds a feeling of security and ability to work efficiently, and for this reason a young secretary should be thoroughly familiar with the functions, popular activities, dangers and successes of commercial organizations.

#### Part II—Perpetuation of the Organization

1. Membership work: a. Recruiting membership; b. Keeping up membership interest; c. Membership meetings;



2. Committee work: a. Selection of committee members; b. Preparation of program; c. Committee investigation and research; d. Conduct of committee meetings; e. Committee reports;

3. Financing activities;

4. Publicity: a. Organization publications; b. Membership letters; c. Use of local press;

5. Miscellaneous publicity.

In this section of the course is given what I consider the four vital phases of commercial organization work. Powerful forces continually operate to render a commercial organization inactive, yet it is in its constant activity and ever present potential support in case of sudden civic or commercial need that the commercial organization renders its greatest single service to a community.

The final section of the course concerns itself with more or less detailed discussion of the more important lines of commercial organization work, or those which seem to have been more nearly standardized.

### Part III—Activities and Methods

1. Industrial development: a. Aid of established local industries; b. Attraction of new industries; c. The industrial survey; d. Locating prospects; e. Methods of financing new industries.

2. Retail trade development: a. Credit reporting and collecting systems; b. Cooperative advertising methods; c. Conduct of merchants' weeks, trade carnivals, expositions, etc.; d. Improvement of merchandising methods and protection against fraudulent practices; e. Attraction of conventions.

3. Development of transportation facilities: a. Discussion and study of the organization, financing and activities of the traffic bureau.

4. Development of the surrounding region: a. The county farm bureau, agricultural association and county improvement league; b. Promotion of interest between farmers and the city.

5. Promotion of civic activities: a. City planning and beautification; b. Cooperation with municipal officials; c. Promotion of miscellaneous civic activities, as clean-up weeks, educational surveys, etc.

The problem of teaching the best instruction methods is

essentially a problem of the school. The course naturally lends itself to the system of lectures, assignments, class room discussion and reports, as is the case in most graduate work. Mock cases may be introduced and have been introduced to some extent at the Tuck School, in order to familiarize the student with actual work, but I believe this is little more than a make-shift. In the Tuck School the need of familiarizing the student with actual conditions has led to a significant development which we call clinical work. This form of training is necessary, and now used by us in all branches of business training. I believe it is especially essential to high grade instruction for this profession. Our experience with the clinical work has more than fulfilled expectations, and we are assured by graduates that this phase of a man's training has proved to be the most valuable of all. The instructor is business manager, or executive secretary, of each of a number of active organizations in cities and towns in the vicinity of the Tuck School, although most of the work of each is in charge of a student. The instructor performs a supervisory and advisory function similar to that of the efficiency engineer in a manufacturing plant. He also takes charge of some of the more important matters and supplements the work of the students during times of press of work at the school and during vacation periods. The significant feature of the "clinic work" is that each student is in charge of an organization in which he comes in contact with that wide range of problems which the full-time secretary faces and for the success of which he is responsible.

### Drawing Men From Colleges

There are sufficiently large and active organizations under able management to absorb each year a score or two of the best men turned out by the colleges. These are the men who have trained especially for this work. There are also numerous smaller organizations which can afford only men new to the profession, yet which offer great opportunities for the young secretary. Such organizations should seek the best trained and most able men available. By taking men from the same institution year after year they would get men similarly trained and with similar ideas. Many organizations now accomplish little because they are managed by a new and inexperienced man each year or two who has ideas different from those of his

predecessor, and who keeps his organization back while he learns his profession. This work might be developed further, so that each small organization in each section of the country might cooperate with some college or university of the district, and exchange advice and organization experience for the services of the yearly output of graduates.

If any definite ideas can be sifted from this discussion, they are these: There is cooperative work to be done by the profession and the colleges. The work is more urgent because of the tendency of colleges to introduce a course of this kind. Evidently there is need of something of the nature of a joint committee of educators and secretaries, including perhaps a representative from the Chamber of Commerce of the United States, which is undertaking to gather facts and principles concerning proper methods of organization work and management, to consider the subject of the best matter for instruction. Such a work might be perpetual in its nature because of the almost bewildering, rapid advancement in this work. A similar committee might do valuable service on the problem of so placing college graduates with special training in such positions that the graduates on the one hand, and the profession on the other, will reap maximum benefits.

## How to Fail as a Secretary

By MUNSON HAVENS

It requires no training whatever to fail as a secretary. A course in the Harvard School of Business Administration or the similar courses at Dartmouth, the University of Chicago, and other colleges are unnecessary. The proper view to take is that such training is a waste of time. Anybody can be a secretary if he thinks he can, and the less preparation he makes, the sooner he begins to draw the salary.

It is a good idea to tell the committee which is examining the applicants for the job that the experience you have had is precisely the experience to fit any man for that work. If you have been in newspaper work, you can throw the glamour of that enchanting profession so completely around your own personal shortcomings as to conceal them from the shrewdest.



The thing to do is to get the job. If you think it will help you, throw in some little remark as—

“When I was in Washington for the Daily News, etc., etc.,” —Don’t hesitate by reason of the fact that the three days you spent in Washington was the only time you were ever there, and that the regular correspondent of the Daily News made an appointment to lunch with you at the Willard at your expense, and forgot to keep the appointment.

If you want to graduate from railroad work into a secretaryship, it is a very good idea to speak of seeing poor Cassatt just before he died. Never refer to Mr. Willard except as Dan. And generally convey the impression that while you did not have the title, you were a sort of unofficial vice-president.

Inasmuch as training is not essential to get the job, it follows logically that it is not essential to keep it. Your education is complete, and all you have to do is your work. You may hear of some poor fish who is spending three nights a week at law school, specializing in commercial law. The secretary in a neighboring city may be taking a university extension course in transportation or foreign trade or some branch of civics. But the thing for you to do is to show the town that your school days are long since past. Otherwise the town might think that there was some department of human knowledge that you had not mastered, and this is precisely the inference that you wish to avoid.

You should convince the board of directors that it is necessary for you to have an assistant before the work develops. Do not let the rush catch you unawares. The directors will have a greater respect for you if you tell them frankly and firmly that you cannot be bothered with details.

Having settled down at your desk, it becomes your duty and privilege to choose an assistant. Be careful not to get too good a man. At best he might leave you in a year or two for a better opportunity. At worst he might become ambitious to succeed you. Be careful that his training is the same as yours. Otherwise he will perhaps know more about his department than you do. You must let your assistant know from the beginning that you are the boss. Do not give him the impression that he is a partner in the concern. If he prepares a good report for a committee, be sure to make enough alterations in it so that you can present it to the committee as your joint

production. Of course by the time it has reached the board of directors, it has ceased to be a joint production. This method will prevent your assistant from receiving empty compliments that might swell his head.

Make it a point that your assistant shall always sign your name to the office mail. Let him understand from the beginning that you demand his respect and do not care a hang for his affection. Give him all the hard work to do, but keep him out of the lime-light. He should never be allowed to give a definite answer in your absence from the office. This may delay the service somewhat, but will prevent your being made responsible for his fool mistakes.

After your assistant has been with you for a while you should be careful to explain to him how disloyal it is to the organization for him to consider any offer of another position without insisting that the other employer shall first take the matter up with you.

With regard to his salary, always remember that you are spending other people's money. Be careful also that his salary never comes within a measurable distance of your own. It is subversive of discipline to have an assistant who is paid nearly as well as yourself.

There are many other points that should be borne in mind in dealing with your assistant, but it is not necessary to speak of but one other. You should always refer to him as "my assistant." This makes him proud and glad and happy. Similarly, you should always speak of the stenographer as "my secretary." Although she may keep the books and handle the money, she would much rather have you call her "my secretary" than refer to her as the cashier.

You should realize from the beginning of your work that your personality is the dominant one. You are forced to admit that you have a brilliant personality, and it would be unfair to the organization if you did not give it the advantage of the full weight of your personality. This point is susceptible of a great many applications. For example: The letterhead of the organization may contain the names of the other officers, but yours should either be separated from these by a space, or else should be printed in larger letters. There does not seem to be any real reason why the names of the other officers should appear on the letterhead but it has been custom-

ary to have them there and there is no particular objection to it. It is a good idea to have a sign on the door of your private office—"Secretary's Office." A picture of this office with yourself seated at your desk should be printed occasionally in the annual report. A touch of verisimilitude will be added to the picture if your assistant is also shown therein, humbly handing you a paper. Or your secretary may be seen in the picture taking dictation. In either case, however, the side or back of the other person should be turned toward the camera lest the larger effect be lost.

The newspaper men should be encouraged to use your name freely. It is a principle of present day newspaper work that a "story" must be "hung upon an individual." Obviously it is your duty to stand in with the newspaper men and preserve their interest in the work of your organization, and you must, therefore, yield to this practice, however repugnant it may be to you personally. You could, of course, persuade the newspaper men to hang the story on the president or the vice-president, or the chairman of a committee, but there is no reason why their finer feelings should be violated—their sacrifices are sufficient as it is; you ought not to shirk any of the disagreeable features of your work.

In meetings of committees, or of the board of directors, you should smoke a cigar or cigarette while reading the minutes. This will show the directors or committeemen that you regard keeping the records of the organization as your least important duty. It gives you an air of easy nonchalance that is highly impressive. One meeting will be enough to convince any board of directors that you are from the big city.

Having presented the subject for discussion yourself for the very obvious reason that you can do it so much better than the president, your voice should also be heard first in the discussion. They are paying for your opinion, and they are entitled to it. No matter how many questions are presented, yours should be the voice of first and final authority. If you can manage to convey the impression, without actually saying it, that each of these questions has had your careful consideration long before it became apparent to the common mind that there was any such question looming toward the future, it is well to do so. Since it is a fact that you foresaw that the assassination of the Arch Duke would precipitate the Great



War, is it not false modesty to try to conceal it? Since it is a fact that you had conclusive evidence that the Germans would sign the armistice, why appear as ignorant as the common run of men?

In discussing these various questions it is a good idea for you to say a few words between the remarks of each of the other directors. In this way you make certain that your full thought shall be revealed. In order that there may be no doubt as to whose opinions are being voiced, begin your sentences with the personal pronoun, "I," or as a pleasing variation you might say, "It is my opinion, etc., etc.," or "It is the conclusion I have reached, etc., etc."

It will occasionally happen that as the discussion proceeds your views may undergo a change. Your views are not altered by the opinions of others present, but your mind works more clearly under the stimulation of the meeting, and in this event justice to yourself requires that after all is said and done, you should sum up. It is this clear, far-seeing all-comprehending statement that your directors need to clarify their minds, unused as they are to any other intellectual processes than those required for mere money-making.

In short, by these methods and others, we should maintain the conviction in the minds of our employers that we are men among men, their equals or their superiors, the acknowledged leaders of the thought of the community.

While we need not dwell on this phase of the subject, we should remember that the president should always be referred to as "my president," and the board referred to as "my directors." This will make them proud and glad and happy. Another little, simple, helpful rule is always to refer to the office of the organization as "my office."

When the organization is invited to be represented at a meeting or a dinner, and the occasion for a speech seems imminent, you should realize that while the name of the president might be more attractive on the program, there is always the danger that he will "spill the beans," and it is your duty to protect the organization. Go yourself. When your president and your directors and the members see you sitting up at the speakers' table, it makes them proud and glad and happy.

The secretary should realize fully the value of his own time. It is paid for with other people's money, and it is a part of his

duty to see that their money is not wasted. The president and the vice-president should not be encouraged to spend too much time at your office. There are only so many hours in the day, and you won't get your work done if you have to spend a lot of time talking to them, or worse still, listening to them. Make the president and the directors feel that they have hired you to run the organization, and that you propose to run it.

Do not cultivate a habit of being a good listener. It is perfectly obvious that a good listener will receive a lot of confidences. Into his ears will be poured the current history of the motives, the ambitions, the jealousies, the meannesses and the occasional greatnesses of his many visitors. It is a mistake to suppose that this fragmentary comment helps to form in your mind a composite picture of your town. With your powers of deduction you can form a far truer picture for yourself if your visitors will refrain from dropping into your office to express their views on the topics of the day. It may be true that the man who receives many confidences is the man in whom the community has confidence, but it is a deadly bore just the same, and it is a very good idea for the secretary to have a sign on his desk, that he who runs in may read—"This is my busy day."

Indeed, the secretary should always appear to be very busy. He should walk rapidly through the streets, nodding curtly to those who address him. The man who stops him on the street should receive short shrift. If he wants to see you, he knows where your office is. People are impressed when you show them that you are giving them only half of your attention because of the momentous interests that are hanging by a hair, awaiting your word. You should always have it in mind that you are not the unofficial advisor of Tom, Dick and Harry. If they are not members of your organization they have no right to take your time.

Occasionally the importance of your duties should be impressed upon the most influential men in town. One way of doing this is to tell the banker that you cannot see him before two o'clock. A still better way is to have your secretary inform the judge that your calendar for the day is full, but that you would be delighted to see him at ten o'clock on the following morning.

You should keep it in mind that while your town is the



best town in the world today in which to operate a factory or build a home, it was a dead town before you came to it. Nor need the fact that it is the best town in the world deter you from looking for a larger opportunity elsewhere. Now that you have put the town on its feet, it is perfectly proper for you to tell the influential people of a competing town how dead it was before you got there, and you may even shake your head a little despondently over its future if once your guiding hand is removed from the helm of its destination.

The secretary should get mixed up in politics. A very good way to do is to advise everybody to pull for a certain candidate for a certain office—let's say mayor. When your candidate is defeated and the other fellow is elected, it will help you to get what you want from the incoming administration. If you find, however, that the administration resents your having been on the opposite side, do not admit a mistake, but on the contrary attack each policy of the administration as it develops. It won't do you any harm to let the administration know that if they want you to work with them they have got to come to you.

A good deal might be said (outside of the political phase of the question) of the relations of the secretary of a commercial organization with men in public office. But certain general observations can be made. No matter which party is in power, it is a good idea to constantly urge large expenditures of public moneys for the objects in which your organization is interested, and at the same time let it be clearly understood that you think the city administration is wasteful and extravagant, and that the tax rate is far too high.

In dealing with the mayor and the members of the city council, especially when you are accompanied by a committee, you should call these public officials by their first names. In order to further illustrate your familiarity with them it is a good idea to steal a cigar from the vest pocket of one of them. These attentions on your part will make them proud and glad and happy.

Always keep your hat on at the city hall. The politicians do it, and you are just as good as they are. If the mayor happens to disagree with your committee on the policy recommended, he should be made to understand that a difference on this point constitutes a definite split between himself and the organization, that it will never be forgiven, that your organiza-



tion will have no further dealings with him, and that you propose to fight him at the next election. You can add that you carry the business men's votes of the town in your pocket. This may have the effect of solidifying the workingmen's vote against your organization if the mayor is clever enough to handle matters in that way, but even if you are beaten at the election, you have the satisfaction of having had the intelligent portion of the community behind you.

You should steadily advise your organization to keep out of the labor question. When the manufacturers in your town argue that this is the largest question before the town or the state, or indeed the country, you can call their attention to the fact that while it is the largest question, there are other questions, and that if your organization takes sides on the labor question it will not have as great an influence in determining other questions. In discussing the labor question with the manufacturer, make him understand that you see no difference between collective bargaining and trades unionism—no difference between socialism and anarchy, and that you agree with him that an eight-hour day, profit sharing, pension-systems and welfare work are the soap bubbles blown from the pipes of impractical dreamers who have never met a pay-roll or paid a dividend.

Every little while one of these hard-headed manufacturers will surprise you by conceding an eight-hour day or a share of the profits to his employes. This is simply an evidence that another good man has gone wrong and you can join all the other manufacturers in town in condemning his treachery to his own class.

Always be certain that any new line of work you take up originates within your own organization. If you admit to a committee or to the directors that this is an idea which has been worked out in Rochester, New Orleans, or Seattle, they will not give you credit for originality. As a general policy it is wise not to know too much about what other organizations are doing. It is apt to have its effect on your work; to deprive it of your own individuality. It may link you up with some other town that is doing the same thing, and consequently make it less clear that the work and policy of your organization are unique.

With regard to state organizations and national organiza-

tions, the insular point of view is the proper one. Your town is a self-sufficing entity, and so is your organization. You are not dependent on the other towns in the state, and there is no advantage to your organization in being a part of a national organization. A certain modification of this view is possible, within limitations. For example, if you are put on the board of directors of the state organization, it becomes a correct policy for your organization to support the state organization, but on the other hand if the by-laws of the state organization are not drawn just to suit you, you should keep the other members of the board constantly in mind of the danger of your resignation. With regard to the national organization, it is well to consider whether it would not be worth while for your organization to pay dues in the national organization in order that you may accompany your president or councillor each year to the annual meeting in Washington or Atlantic City. Your presence there will have its effect in keeping the national organization on a straight course.

In every state organization and every national organization you should keep your eye on the clique that runs the organization. All organizations (except yours) are run by a clique. There is great need for an insurgent movement to break the slate in all of these organizations.

A very good slogan for such a movement is that all of the officers, committee appointments, etc., are held by the larger towns; that the smaller towns get no recognition, and that the real bone and sinew of the nation is in the smaller towns. An insurgent movement requires leadership, and if you know just how the matter ought to be handled, there is no reason why you should shrink from the duty.

At the meetings of state organizations, and whenever possible in the national organization, it is particularly desirable to be heard from the floor at least once, and if possible oftener. The rest of the time can be spent in the ante-room just outside the convention hall.

Speaking of insurgents reminds one that a paper of this sort ought to consider how they should be dealt with. Not that any of us ever have insurgents in our own organizations, but we are asked occasionally by the other fellow how to deal with this problem. It should be realized in the first place that every insurgent movement is destructive in character, it aims



to overthrow the whole policy of the organization, and to substitute for that wise policy the selfish interests of the few individuals who compose the insurgent group. They want to use the organization to promote and foster their own personal and private aims. They cannot use the organization for that purpose so long as you are the secretary. And for that reason they want to get your goat. In order to prevent insurgency from ever gaining a foothold, the following precautions are desirable: In the first place the nominating committee to propose new officers should always be appointed by the secretary. It may be necessary to do a little window-dressing in order to get this through, but with all your experience in this line of work, if you don't know who ought to be on the nominating committee, who in the world does know? Then the secretary should always meet with the nominating committee, and, if possible, ought to see each member personally before the first meeting in order that the meeting may move smoothly with entire harmony and without any unnecessary waste of the valuable time of the members of the committee. At least two-thirds of the board of directors should be renominated each year. This helps to maintain the consecutive character of the organization's work. Its policy otherwise might be erratic. The same personnel on committees should be continued year after year to give further assurance of a continuous policy within the organization.

If an insurgent movement rises in spite of those precautions, various steps can be taken that will be helpful. For example, if the insurgents demand an open meeting, the meeting can be called for a month later to allow time for the first violence of the movement to die down. When the meeting is finally called, it may be called for an unusual place, at an unusual hour, and the notices can be issued to part of the members just a little too late for them to receive them. The important thing to remember in connection with this treatment of insurgents is that they have no memories. Once an insurgent movement is crushed, it is crushed forever. Moreover, the average insurgent is the kind of a man who is cowed by treating him rough. Above all things, it should never be admitted that the insurgents have any just cause for complaint against the organization. It should never be admitted that the organization has ever made a mistake, and the insurgents should never



be given representation on a nominating committee or a board of directors or in any position of honor or trust.

You should always take yourself very seriously. A sense of humor in a secretary is badly misplaced. There are too many references to the "genial" secretary. People do not seem to realize our responsibilities. They get the impression somehow—certainly through no fault of our own—that the president and the directors and the committees do the work. One of the most irritating assumptions that our members seem to have is that there is another fellow around the corner who can do our work just as well as we can, and maybe a little better. Now the secretary who does not take himself seriously encourages these illusions with reference to our vocation. There is a book by one Erasmus—"In Praise of Follie." No secretary should ever read it.

Remember in your work that the main thing that counts in a town is the impression that it makes on visitors. And in this connection the visitor must be so conducted around the town that he will not see the bad spots, which can, therefore, be left undisturbed indefinitely. The folks at home may know about them, but they are used to them.

A large part of our work should be aimed toward attracting tourist travelers. Emphasis should be placed on the fact that the town can be reached from everywhere and that the visitor may depart thence for anywhere. Waterworks systems, sewage systems, and miles of pavements are of particular interest to cultivated tourists, and should, therefore, be referred to liberally in your printed matter.

This observation applies also to the location of a factory. Factories are always located where there is pure water to drink, a beautiful Soldiers' Monument, and a fine surrounding agricultural community. Comparative statistics should be avoided in literature issued by commercial organizations. Never compare the number of miles of pavements in your town with the number of miles of pavements in the other towns of corresponding size. Never compare the tax rate in your town with any other tax rate in the world. If the prospective tourist or the prospective manufacturer wants comparative statistics, let him look them up himself—it is no business of yours. Your business is to advertise your town, not the other fellow's town.

Every little while a visitor comes to town and is lavishly

entertained by the organization, and is shabby enough to make criticisms of the town. Of course no attention should be paid to these criticisms. The facilities that the visitor complains of are good enough for our folks here at home, and if they are good enough for us, they are good enough for anybody. You knew that fellow had a swelled head the minute you laid eyes on him.

The test of a successful organization is its size. The bigger the organization, the better it is. If you have a town of 30,000 people and there are 1,000 members of your organization, it is safe to say that you have an organization that is absolutely democratic, in which the millionaire rubs elbows with the workman, and of course the moment they join your organization they will absolutely agree on all matters of policy and then go hand in hand as brothers should.

A membership campaign every year is a splendid thing. It keeps up the interest in the organization, and gives everybody something to do. If you have taken in 300 members during the year, that is an accomplishment that ought to satisfy anybody. Anybody can see what the year's work has done for the town.

The dues of an organization, on the contrary, should be kept as low as possible. It goes without saying that if you have very high dues, you will not have a large number of members. Of course, there ought to be a law compelling citizens to join our organization, but in the absence of such a law, they have to be attracted in because it does not cost much. Occasionally you will hear somebody say that the amount of the dues should be determined by the aggregate revenue required for the work to be done, divided among the number of men who are really interested in getting the work done. Of course any organization expert like yourself knows that this statement is a fallacy. In the first place how can you tell what work you want to do until you see how much money you have to do it with? And in the second place it stands to reason that the more people you get into the organization, the more work you can do.

Every secretary should have an organization chart. This chart should show the membership as the foundation, then the board of directors, executive committee, officers, committees, bureaus, etc., etc. The secretary's place on the chart should not be bunched with the other officers. This chart is very

helpful in the practical work of the organization. It is especially helpful if different colored inks are used. The best colors are red, blue, purple and green.

If at the end of the year, however, you find that the directors are not wholly satisfied with the results of the year's work, it is well to consider changing the color of the ink used on different parts of the chart. The chart is equally efficient in getting factories, securing conventions, and promoting public improvements. If the chart indicates that the committee on municipal affairs is responsible to the board of directors, and reports to that body, it is relatively unimportant whether the committee on municipal affairs ever does report to the board of directors or not. The main thing is to get the correct theory. For example, an organization that had a chart which showed that the board of directors reported to the municipal affairs committee could not possibly succeed even though in practice the processes were reversed.

Whenever one of your members calls, show him the chart. It gives him a chance to turn over in his mind the matter that he came in to see you about. When he finally presents the matter that is on his mind, you can either show him that it is on the chart, in which case he ought to be satisfied, or else you show him that it is not on the chart, in which case you are perfectly satisfied.

Next in importance to the chart is the card list of the membership. This card list should be comprehensive, and should include on each card a full history of the public and private life of each member. Securing this information will take a lot of the secretary's time. But nothing makes a member so proud and glad and happy as to write the history of his life on a six by four card. You can increase his pleasure somewhat by printing at the bottom of the card—"Please write on one side only." Having secured all these cards, they should be filed carefully. When you come to make up the committees with the assistance of the president (not that his assistance is important at all), all the cards should be laid out on your desk in alphabetical order, and each life history should be carefully considered in connection with each committee appointment. The president should not be permitted to overlook the importance of the scientific method. He will probably think that the fact that he has known Tom Brown or Dick Jones all their



lives, or that Bill Smith and he went to school together, has some bearing on the matter. You know, and he must be made to know, that there is a scientific method of doing this sort of thing, and that the card list represents that method. That is what you are there for.

The secretary should always have at least one hobby. And that hobby should be the focal point of the organization's activities. It may be civil service, the city manager form of government, drinking fountains in the parks, or the reform of domestic architecture. But whatever the hobby may be, it should occupy a large part of the organization's time. If anyone has the mistaken view that the organization's purposes should be more comprehensive, its aims more catholic, the secretary can point out that nothing can be accomplished without concentration.

Writing reports for various committees may be one of the duties of the secretary. The first principle to be observed in writing his report is that no mention should be made of any arguments which tend to support any other conclusion than the one reached in the report. It is one of the best known facts about the tired business man that he is only interested in the recommendations made by his commercial organization. He cares nothing for the facts upon which its conclusions are based, nor the arguments pro and con which have been thrashed out in the committee. He is prepared to agree blindly with any recommendation the authorized committee makes on the subject. Then, too, a report of this kind always carries great weight with the public at large. When it appears in the newspaper, all of the folks stop thinking whatever thoughts they may have been thinking on the question at issue, and accept immediately and unqualifiedly the recommendations of the commercial organization. The absence of any facts from the report and the omission of any argument convinces the community of the comprehensive view your organization has taken of the subject.

The secretary should have as his first ambition to be spoken of as the live wire of the town. But he should be careful to realize that there are two kinds of live wires. He should realize that a live wire that is quietly performing its duty is never heard, rarely seen, seldom thought of. A live wire to attract attention should get out of its proper place, bang around against

everything within reaching distance, short-circuit the machinery, and start a fire. Then everybody knows that there is a live wire around.

The secretary should realize that the average business man and the average professional man has a very narrow point of view. He is intent on making money, and quite often he has the mistaken supposition that the commercial organization is interested in commerce. It will be helpful in dispelling this misapprehension for the secretary to keep himself aloof from commerce as much as possible. When the pickle manufacturer calls on you, recite Shelley to him. He needs the broadening influence of your culture. If one of your directors runs a saw mill, he would rather hear you discuss Bernard Shaw's latest play than anything else in the world. You shouldn't read commercial and financial journals for fear of getting into a rut yourself. Those of your members who are interested in real estate will appreciate it beyond words if you will talk to them about unearned increment and the right of the city to excess appropriation. The manufacturer who has been meeting a payroll for forty years will find your views on the nobility of manual labor exceedingly refreshing. In short, the important thing is to control the conversation yourself whenever you come into contact with your members, and you should control it along the broadening, cultural lines which represent the highest ideals toward which your young life is seeking to express itself.

It is never wise to bother the president or the directors with the criticisms you happen to hear of the organization. It is unfair to them to burden their minds with these details, and besides it is your duty to endure criticism in dignified silence.

And finally, there is one infallible test of success or failure. If we hold our jobs we have succeeded. If we lose them we have failed. Are not the successful secretaries those who have taken expediency as their watchword, have avoided the pitfalls of a decisive position, have never regarded their organizations as instruments of human progress, but rather as the medium through which they maintain their livelihood?

And are not the secretaries who have failed those quixotic spirits who have fought within their organizations for things they believed to be right, against a majority—against almost a unanimous membership, and have at least acknowledged the bitterness of defeat and experienced the humiliation of dismissal? Of course these are the failures.

## The National Association of Commercial Organization Secretaries

By WILLIAM GEORGE BRUCE

The National Association of Commercial Organization Secretaries has completed a career, sufficiently long and useful, to deserve historic record. While the organization is comparatively young and, therefore, its story brief, it presents an evolution in a new calling—a calling that is a vital factor in American community progress—and, therefore, not without some national as well as local import.

It records a period which has brought the scope and function of the commercial secretary into clearer relief, his methods and operations upon a sounder basis, and his future upon a more established footing.

The story of the association, with its pioneering predecessors, also embraces the most interesting as well as the most important period in the history of secretarial service. It marks a transition from hazy conceptions to fixed definitions, from spasmodic dabbling to earnest direction, from uncertainty to positiveness.

In a general way there has been a consciousness that the responsibilities of commercial bodies are primarily predicated upon community needs and aspirations; that these must be defined and established before concerted effort in realizing them is applied; and that the possibilities of the community along economic, civic and social progress must be analyzed by and realized through the medium of collective effort. But, today, commercial bodies are more certain of their ground, and approach the elements of scope, method and aim with greater assurance. They have a higher appreciation of their mission and a firmer grasp upon their problems, obligations, and mode of procedure.

### Unity of Thought and Action

Individual inclination and self interest are basic and form the mainspring of all human progress. But, when it is remembered that detached individual or diverse effort in behalf of a common cause can lead to nothing, it is promptly recognized

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\*Address delivered at the Indianapolis meeting of the National Association of Commercial Organization Secretaries, October 28, 1919.



that unity of thought and action must be employed. Nor can the agencies of government, frequently created out of party strife and always restricted by law, legitimately engage in local promotional effort.

If laudable ends and purposes are to be achieved for the community, which cannot be successfully fostered by the lone individual or on the other hand by the local government, it only follows that the collective citizenship, marshalled along non-partisan and unselfish lines is best fitted to perform the task. Hence the modern commercial body.

That someone should, sooner or later, conceive the idea of associating commercial secretaries for educational purposes, was to be expected. That such an organization would grow into a compact whole, become truly representative in character, and realize its purposes, remained to be seen.

Naturally, during its earlier history, this organization passed through all the vicissitudes of early childhood. Its infantile ailments were various and frequent, threatening at times to snuff out its young life. But, it continued to live, and gradually grew into a lusty, powerful and serviceable body.

This period also marks a notable era in the life of the commercial bodies themselves. The young men who have yearly come to these gatherings have carried away new inspiration, new ideas, new expedients to their several organizations. They have been taught to recognize the modern commercial body in the light of a faith—a faith in human nature, in common counsel and in concerted action—a faith in the community, its development, its opportunities, its progress. They have been taught to espouse the highest aspirations of American urban life. In brief, the period with which we are dealing marks an epoch in that promotional effort which constitutes the true mission of the modern commercial body as exemplified in this country.

### Historic Outline

The National Association of Commercial Organization Secretaries had its beginning October 10th, 1906, in Binghampton, N. Y. Twenty-five secretaries coming from New York, Pennsylvania, and New Jersey formed what was then known as the Inter-State Association of Commercial Executives. It later developed into the American Association of Commercial Executives. They represented the Schenectady Business Men's As-

sociation, Ithaca Business Men's Association, Elmira Chamber of Commerce, Wilkes Barre Board of Trade, Syracuse Chamber of Commerce, Erie Chamber of Commerce, Scranton Board of Trade, Harrisburg Board of Trade, Cornell Chamber of Commerce, Rochester Chamber of Commerce, Buffalo Chamber of Commerce, Atlantic City Bureau of Publicity and the Binghampton Chamber of Commerce.

The historian, James A. Bell, of Harrisburg, Pa., who told the story six years later at Louisville, refers to Clum, Smith, Clark, Gitchell and himself as the Old Guard. The annual meetings were held at Harrisburg, Pa., in 1907; Atlantic City, N. J., 1908; Rochester, N. Y., 1909; Grand Rapids, Mich., 1910; Louisville, Ky., 1911; Washington, D. C., 1912; St. Paul, Minn., 1913; Cincinnati, O., 1914.

The Central Association of Commercial Secretaries was formed at Cincinnati, O., in 1909. The credit for originating this organization, we are told, must go to Will L. Finch. The presidents elected at the various meetings held during the life of the organization were the following:

1909—Cincinnati, Ohio—William G. Gibson, Chicago, Ill.

1910—Milwaukee, Wis.—R. G. McClure, Indianapolis, Ind.

1911—Chicago, Ill.—J. M. Guild, Omaha, Nebr.

1912—Indianapolis, Ind.—E. M. Glendenning, Kansas City, Mo.

1913—Omaha, Nebr.—William George Bruce, Milwaukee, Wis.

In 1913 Mr. S. Cristy Mead at the St. Paul meeting, where he was elected president of the American Association, was authorized to confer with the Central Association of Commercial Secretaries with a view of consolidating the two bodies. At the same time the writer, who headed the Central Association, championed an amalgamation which was finally consummated at the Cincinnati meeting in 1914.

The National Association of Commercial Organization Secretaries became the successor of the two bodies. Its meetings have since been held in the cities here named and headed by the following men as presidents:

1915—St. Louis, Mo.—S. Cristy Mead, New York City.

1916—Cleveland, Ohio—William George Bruce, Milwaukee, Wis.

1917—Chicago, Ill.—James A. McKibbin, Boston, Mass.

1918--Rochester, N. Y.—Howard Strong, Minneapolis, Minn.

1919—Indianapolis, Ind.—John M. Guild, Kansas City, Mo.

### Area and Vision

The earlier secretarial conventions held in this country very properly adhered to the most timely program topics. While some of these were discussed with thoroughness others came in for meagre or superficial attention only. And yet some of the programs covered a range of subjects which extended far beyond the immediate problems concerning secretaries and commercial bodies. They rambled into factory and transportation problems, foreign trade, waterways and city planning, etc. At the same time they discussed membership maintenance, new industries, the value of conventions, and other immediate and pertinent organization problems.

Some of the speakers, however, were inclined to hold their treatment of subjects within narrow limits. They dealt, to a large extent, with local experience, local viewpoints and local conclusions. The result was that new departures and projects, partially developed and realized by one locality, were frequently emphasized to the exclusion of the completed and successful experiments of another locality.

It became evident here that, in the treatment of any important subject, the experience of many minds and localities must be consulted in order to reach reliable deductions and conclusions. Furthermore, it became apparent that the human vision must go beyond local color and environment, and extend over greater area and penetrate into a greater variety of conditions in order to bring the whole truth to the surface.

The program builders of a later day recognized this broader conception of their function. They selected their subjects with greater discrimination and urged upon the speakers the value of bringing into play a wider range of observation and a deeper analysis with the result that the addresses gradually grew in strength and character.

The builders of the organization also wisely held their deliberations within a properly defined domain. They refrained from entering upon a discussion of principles and policies that came strictly within the province of the local commercial body, and confined themselves to secretarial methods



and modes of procedure. Every topic was dealt with comprehensively and ably. Every document became an authoritative treatise. Every volume of the proceedings became a dependable reference book.

Thus, a review of convention programs for the past decade reveals not only an evolution in the subjects chosen but also in the manner of their treatment. They note a trend from the obvious to the complex, and a gradual penetration to the innermost springs of organization success. In fact, the present program goes to the very core of secretarial efficiency.

I do not mean to convey the impression, however, that the main topics have all been exhausted and that the program makers of the future will run dry for want of material. An examination of the several manuscripts submitted by this organization and its predecessors reveals the fact that there are still topics that have not as yet been comprehensively dealt with, or that must be reconsidered in the light of changed conditions and of later experiences.

### Ideals and Standards

The renaissance that followed the merger of the two bodies into the one national organization also led to the fostering of fixed standards and ideals. Those who sought to place the secretarial calling upon a higher plane earnestly championed aims and accomplishments that were apparently far above the reach of the average but in reality within the grasp of all.

While it is impossible to rear a completed secretary in a day, or to endow the average with all the mental and temperamental qualities that make for the perfect, it is possible to set up the desirable and the attainable. A sincere effort to live up to an ideal constitutes in itself an expression of progress. It spells an upward rather than a downward tendency, dispels lethargy and indifference, and stimulates nobler purpose and action.

Those who believed that the impossible had been held up to them, or that the standards of efficiency had been set at unattainable heights, have since applauded the spirit which sounded the battle cry of onward and upward. In reaching out for the things that make for a more complete man, namely for inspiration, for strength, for self-reliance, they have incidentally

added themselves to the ranks of the really efficient commercial executives.

Another gratifying fact deserves mention here. The exuberance of youth is apt to disregard that poise and circumspection necessary in executive labors, but, the younger men in the profession readily accepted the counsels of the older. Some of the veterans generously pointed out the pitfalls which await the recruit, and good-naturedly touched upon the foibles, conceits and idiosyncrasies that impede the path to success. Equally gratifying is the fact that a receptive as well as helpful spirit has characterized the entire organization. All well-meant counsel was cheerfully accepted in the spirit in which it was offered.

### Defining Official Relationships

The period here dealt with may well be described as a decade of definitions. With the progress of time it was certain that an institution such as this would be evolved but it was not certain that it would realize a maximum stage of service. And yet, the statement that it has accomplished more than its progenitors had hoped for it is fully warranted. It became within a short time a powerful factor in giving greater momentum and direction to commercial organization labors, in clarifying essentials and in defining official relationships.

These definitions cover eligibility to membership in commercial bodies, the function of executive officers, the mechanism of organizations and the purposes for which they are created. They have made unmistakably clear that the modern commerce body is a small plant with a large purpose, that the raw materials consist of undeveloped, incomplete and disjointed conditions, and that the finished product is found in adjustments and accomplishment, in construction and achievement.

This period too has thrown the searchlight upon the constituent ingredient—membership. It has taught that he who bursts in upon the commercial body and selfishly asks "What am I going to get out of this?" is far from having a proper conception of modern commercial organization purpose. Such men obey the law and pay taxes because they are compelled to, little realizing that a voluntary contribution of time and money to the local body constitutes a test of useful citizenship. During the past decade there have come upon the scene in increasing

numbers those who give liberally of themselves and their substance, in order that the welfare of an entire community may be promoted.

We are also clearer on the essentials in marshalling membership into a working body. The machinery employed in prompting thought and action along promotional lines must be properly designed and built of the right material. The best business and professional element must be identified with the organization and become an active constituent part of the same. In other words, the commercial body must be truly representative of the progressive citizenship and organize its component parts so as to effectively perform the service required of the same.

### Status of the Secretary

An undeveloped condition of the commercial body only can account for the wrong position in which some secretaries may be placed. Instead of being recognized as executives with discretionary powers they are, in instances, reduced to a mere recording clerkship. Where such an officer is a novice in secretarial duties no objections can be raised, and yet the thought that the secretary must be an expert in policies and methods of community promotion, and the intellectual equal of his board of directors, should be primarily observed in selecting him.

In order to fill the position adequately the secretary must be resourceful enough to devise, initiate and recommend, and after the committees and the board have fixed upon policies and departures, he must be strong enough to execute. He serves on the one hand as a stimulus to thought and motive, and on the other as the strong right arm to construct and realize. Logically, it follows that he cannot fulfill the function of his office unless he knows his town and its possibilities and the procedure of inaugurating movements and objective action. He must become the clearing house for the ideas and suggestions that come within the organization precincts, and, together with his associates, subject them to the sifting process and to analysis.

It has always been my theory that the coordination of the secretary and his board, his committees and membership should be clearly defined and recognized in order that friction may be avoided and harmony and efficiency be obtained.

Here, of course, it is essential that the secretary mani-



fest sufficient strength of character to meet the requirements of his office and to adjust himself to the interrelations which must obtain here. The president and secretary are not only co-workers but also co-equals. They work as a team in the same harness. They are not in the attitude of boss and clerk, but rather joint workers in a common cause.

The tactful secretary recognizes the prerogatives of the president, his distinction and his leadership—while on the other hand the president recognizes the scope and function of the secretary and the cooperative attitude he must assume towards him. Neither can assume to arbitrarily direct the other. The source of authority springs from the board of directors to whose dictum both must submit.

This body, in its collective capacity, constitutes the highest authority created within the organization. The body membership exercises the legislative functions of the organization and delegates judicial and administrative powers to the board of directors. The president is the presiding officer of the organization and the executive head of the board, while the secretary is the executive head of the office force and of the administrative labors. Aside from the functions outlined here the president stands in an advisory capacity to the secretary and should stimulate all along the lines policies and purposes helpful to laudable achievement.

### The Old and the New

The educational influence which has so richly flown from the annual gatherings of the association has in a great measure caused a change in the type of men who have gone into secretarial labors. The hurrah circus style fellow, who shouted himself hoarse for his town, has practically disappeared from the scene. Individual brag and bluster have given way to collective thought and team work.

It may seem presumptuous to hold that a secretary must educate his board of directors, but it is not unreasonable to assume that the conclusions reached by the trained secretaries of the country, must in a greater or lesser degree be acceptable to those entrusted with the affairs of commercial bodies.

The prestige which the National Association of Commercial Organization Secretaries has won for itself, together with the distinction it has conferred upon many of its members, has

also lifted the entire secretarial calling upon a higher plane and has given each man a better standing "back home." While some of the secretaries have been honored with office or program distinction and have thus gained in the eyes of their directors and associates, the rank and file, too, has shared in the benefits that have accrued from convention deliberation. It has enabled them to meet with greater confidence and authority the problems that have confronted them, and has won for them a greater standing with their associates and co-laborers at home. It may confidently be asserted that there is no commercial secretary in the United States today who has become so proficient in his office that he can afford to ignore the educational stimulus and guidance provided by this body.

The impetus thus given to a singular and exceptional calling has implied better compensation, higher appreciation and more congenial surroundings. But, it has also gone to the very core of the great cause in which secretaries, directors and committeemen are serving, namely the stimulation of the highest type of American citizenship.

### What of the Morrow?

I have thus far spoken retrospectively. What of the future? What will be the commercial organization of tomorrow? What part will the secretary play in the future economic, civil and social life of his community? What service can and will this organization render in the progress of American civilization?

In meeting these questions I am readily prompted to an optimistic answer. If the story of a comparatively recent past may be applied to an immediate or ultimate future then the commercial body will continue to grow in strength and service, and become an ever increasing factor in the life of the community. It will not only be a common mentor of local interests, in future as it has in the past, but also the strong correlating and coordinating force that will bind the economic and social factors into an effective unit, and lead with greater certainty in the progress of American urban life.

The man who guides and directs this force is bound to become a correspondingly important factor. His office will assume increasing distinctions and uniqueness. He will stand

on a par with the school superintendent and the mayor, one a citizenship trainer, the other a governmental executive.

The commercial secretary, who is both a trainer and an executive, seeking to vitalize citizenship and to strengthen government, is the recognized champion for a community household that shall not only be orderly and intelligent, but prosperous and high-minded as well.

The collective citizenship, properly marshalled and guided, may go far beyond the legal limitations which beset local government in launching into the broad domain of economic and civic advancement. Hence, the commercial secretary not only begins where the school superintendent leaves off, but occupies a field that exceeds in potential service the law-restricted, and oftentimes politically biased possibilities of a mayor's office.

With the ascendancy of the commercial body, performing in the fullest measure the function of its being, expressing the most laudable ambitions and the highest aspirations of the community, the commercial secretary will rise in distinction, in service and in power. In saying this I am not disposed to exalt the commercial secretary beyond the station to which he has been assigned, but I am certain that by virtue of the growing importance of his office, and as an active participant in the great march of civilization, he will stand out as a distinctive figure among his fellow men.

### Subserving the American Spirit

If this organization has, in its brief existence, rendered a service in strengthening the integral parts that constitute a great nation, it has also the power to continue that service and to intensify that beneficent influence which it now radiates into numberless units of population.

The prestige and power of a great Republic must spring from its component parts. The enterprise and energy, inventive genius and constructive ability must be awakened into constant and continuous action. Citizenship no longer means mere obedience to the law. It means useful service as well. The patriotism of peace, like the patriotism of war, calls for action—energetic action in all that will prompt a better town in order that there may be a greater nation.

That nation is now actuated by a new spirit. The America of old stretched out its arms in welcome to the oppressed of



all lands. It cried out to them "Come to our shores. Join us in building a nation on new ideals of government—a nation that shall endure for all time."

The new America has gone to other shores, torn down the shackles of autocracy, and cried: "We have realized our ideals. We are here now to help you realize your own dreams of self-determination, of democracy, of freedom."

This new world-outlook, with its altruism and concern for humanity, also implies a finer relation between our fellowmen at home. It exacts newer conceptions and responsibilities in the direction of collective community effort, and inspires broader considerations for the welfare of the many as against the interests of the few.

In the light of this new spirit your mission and mine becomes loftier, nobler and holier. Let us dedicate ourselves anew to the task that is ours, realize its high purposes, and thereby win for ourselves the proudest distinction that modern civilization can confer upon any man—the title of true American citizenship.

THE END.

# INDEX

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	Page
Dedication . . . . .	5
Preface . . . . .	7

## Part I.

Advertising by Commercial Organizations.....	139
Agriculture and Commercial Organizations.....	88
Farm a Factory.....	91
Movement for Diversified Farming.....	89
Chamber of Commerce in City of "Average".....	37
Chamber of Commerce of the United States.....	180
Business Service .....	186
Determining Chamber Policies.....	182
How Governed .....	186
Membership Qualifications .....	185
National Chamber Activities.....	184
National Chamber to Build.....	189
New Nationalism in Business.....	181
Organization Membership Service.....	187
Program of Expansion.....	188
Charity Endorsements and Fraudulent Solicitations.....	160
Answering Essential Questions.....	161
Constructive Supervision .....	163
Endorsement Cards Issued.....	166
Methods of Endorsement.....	165
Task for Commercial Bodies.....	162
Commercial Arbitration .....	168
Commercial Organizations .....	173, 179
Conciliation .....	175
Decision and its Force.....	172, 175
Fees of Trading Bodies.....	179
Methods of Procedure.....	171, 175
Other Plans .....	177
Selection and Control of Arbitrators.....	169, 174
Work of the Committee.....	177
Work of Trading Body Arbitration Committees.....	173
Commercial Organizations and Back Country.....	92
Some Recent Federal Legislation.....	94
What Commercial Organizations Can Do.....	97
What Organized Work Involves.....	96
Commercial Organizations and the Farming Element.....	86
Commercial Organization in Town or Small City.....	34
Best or Most Unique Achievement.....	34
Kinds of Promotion Emphasized.....	35
Large Town vs. Small Town Problems.....	36
Conventions, Their Cost and Value.....	134
Some Conclusions about Conventions.....	136
Value of Conventions.....	137

	Page
Efficient Commercial Organization.....	25
Commerce Precedes Culture.....	28
Directing Collective Effort.....	29
Economic and Civic Advancement.....	27
Essence of Promotion.....	26
Essentials of Efficiency.....	29
Government and Commerce.....	26
Essentials of an Effective Organization.....	31
An Illustration .....	32
Other Things Essential.....	31
Why This is of Importance.....	31
Factors in Securing Factories.....	70
Attitude of Banks.....	75
Factor of Chief Importance.....	71
Fund for Industrial Development.....	76
Industrial Sub-division .....	76
Influence of Market Problems.....	73
Matter of Money Outlay.....	74
Some Other Important Items.....	72
Industrial Development by Chambers of Commerce.....	50
Creation of Conditions Favorable to Industries.....	51
Industrial Surveys .....	50
Offer of Special Inducements to New Industries.....	52
Two Types of Organization Activity.....	51
Industrial Development of the Small Town.....	55
Industrial Committee .....	56
Small Town Development.....	57
Industrial Survey of the City.....	78
Investigation of New Industries.....	80
Location of New Industries.....	82
Solicitation of New Industries.....	79
Introduction .....	15
French Originals of the Chamber of Commerce.....	15
German Official Chambers of Commerce.....	19
Modern American Type of Chamber.....	20
Origin and Works of American Chambers of Commerce.....	20
Two Types of Organization in Switzerland.....	18
Voluntary Chambers in England.....	20
Mission of Trade Extension Journeys.....	143
Administration and Management.....	145
Attitude of Visiting Merchants.....	145
From the Standpoint of Cities Visited.....	144
Organization Service for Retailers.....	113
Activities of Interest.....	115
Dependency of Retailer.....	114
Plan for a Temporary Exhibition.....	119
Admission and Information.....	129
Booths .....	126
Building .....	124
Concessions .....	130
Cooperation and Advertising.....	121
Educational .....	121
Entertainment .....	131
Exhibits .....	125
Exhibitors .....	133
Finance and Publicity.....	128



	Page
Officers and Committees.....	123
Organization and Plan.....	122
Preparation . . . . .	125
Profit or Deficit.....	122
Results . . . . .	132
Safety and Comfort.....	130
Service . . . . .	129
Proper Place of Industrial Development in Work of Commercial Organi- zation . . . . .	58
Industrial Survey . . . . .	61
Man and the Market.....	59
Relations Between Civics and Commerce.....	42
Short Trips from a Jobbing Center.....	147
Long Journeys . . . . .	148
One-Day Outings . . . . .	149
Trade Extension Through Excursions.....	146
Trade Extension Trips—Methods and Results.....	150
Benefits to be Derived.....	156
Conduct of Automobile Trips.....	155
Four General Methods.....	151
Importance of Trade Trips.....	151
Methods for Conducting Trips by Train.....	153
Objects of the Trips.....	152
Some Results from Trade Tours.....	158
Traffic and Transportation Bureaus.....	99
Transportation Problems . . . . .	102
Appointment of Transportation Committee.....	104
Cooperation with the Carriers.....	104
Cooperation with other Organizations.....	111
Educational Work . . . . .	105
Relation of Traffic Department to the Organization.....	103
Small City vs. Large City.....	110
Specific Services Rendered.....	107
What is an Industrial Survey.....	62
Factors Bearing on Industrial Problems.....	64
Purpose of Which Factors are Listed.....	65
What are the Industrial Problems of the Community.....	66

## Part II.

Advertising Methods of Commercial Organizations.....	248
Frequency of Publication.....	252
House Organ Contents.....	249
Important as Means of Communication.....	255
Question of Make-Up.....	250
Should Advertising be Admitted.....	252
Annual Reports, Their Form and Value.....	339
A Variety of Forms.....	340
Purpose of Reports.....	340
Budgets for Commercial Organizations.....	278
Budget Accounting . . . . .	289
Control of the Expenditure of Budgeted Funds.....	288
Relation of Budgets to Working Plans.....	283
Conservation of Committee Energy.....	306
Conditions Precedent . . . . .	308
Facilities for Committee Work.....	311

	Page
Methods of Committee Work.....	314
Source of Energy.....	308
The Secretary's Function.....	307
Democracy in Chamber of Commerce.....	193
Membership . . . . .	193
Necessity of Bigness.....	195
Time for Action.....	194
Elements of Membership Conservation.....	226
How Members are Retained.....	228
Program of Membership Conservation.....	231
Unknown Member . . . . .	230
Why Members Resign.....	227
Filing Systems for Chambers of Commerce.....	373
Agenda Card and Slip.....	381
Automatic Index and Numeric Method.....	375
Basis for Filing Systems.....	374
Carbon Copies . . . . .	378
Centralization of Files.....	377
Circular Letters . . . . .	379
Committee Correspondence . . . . .	380
Cross-Reference Slips . . . . .	379
Geographic System . . . . .	376
Illustration of Subjects, Classified.....	384
Illustration of Subjects, Unclassified.....	384
Methods of Construction.....	374
Requisite Principles . . . . .	373
Sorting Tray and Transfer.....	382
Subject Basis and Numeric Plan.....	377
The System . . . . .	378
Forms, Records and Financial Accounts.....	353
Continuous Bound Records.....	370
Principles that Govern.....	368
Security Uniformity . . . . .	369
Keeping Before the Public.....	246
An Official Mouthpiece.....	247
Keeping Before the Public.....	247
Keeping the Members Informed.....	260
Other Ways of Keeping Members Informed.....	263
Some Ways of Keeping Them Informed.....	261
Type of Organization Organs.....	263
Membership Development and Maintenance.....	221
Converting the Unregenerate.....	222
Next Step . . . . .	225
Recapitulation . . . . .	225
Some Methods . . . . .	224
Membership Methods in Small Organizations.....	234
Demands of Members.....	235
Methods of Recording Minutes.....	342
Brevity Most Desirable.....	345
Character of Record Books.....	347
Headings or Side Notes.....	349
Need of Discrimination.....	343
Secretary Must Efface Himself.....	347
Sending Advance Schedule.....	344
Synopsisical Reports . . . . .	346
Writing the Minutes.....	344

	Page
<b>Methods of Sustaining Memberships</b> .....	197
Experience in Other Cities.....	197
Experience of Large Cities.....	202
Judgment of Smaller Cities.....	217
Membership Arguments .....	206
Membership Solicitor .....	206
Minimum Results—Maximum Cost.....	211
New York's Membership Experiment.....	204
Plans for Committee Organization.....	202
Service Men .....	200
Solicitors or Campaigns—Which.....	221
Some Sales Arguments.....	199
Something to Sell.....	198
When Do Solicitors Pay.....	219
<b>News Value in Organization Publicity</b> .....	271
Chicago's News Bureau.....	272
The Creation of News.....	273
<b>Office Administration</b> .....	323
Arrears and Delinquents.....	331
Control of Assistants.....	337
Form of Reports.....	326
General Questions .....	323
Getting Acquainted .....	329
Membership Activities .....	328
Most Effective Unit.....	333
Retaining Committee Interest.....	334
Securing Committee Attendance.....	335
Specific Entertainment Features.....	330
The Handling of Publicity.....	336
The Use of Bulletin Boards.....	327
The Use of Charts.....	324
Who Appoints Committees.....	332
<b>Organization Bulletins—Their Hits and Misses</b> .....	265
Against Advertising .....	268
Character of Publication.....	266
Form, Size and Advertising.....	267
Summary .....	268
<b>Organization Costs and Results</b> .....	290
Advertising Media .....	299
Budget .....	293
Expediency of a Surplus.....	295
Expense of Membership Work and Loss from Unpaid Dues.....	293
Importance of the Civic and Social as Contrasted with the Commercial and Industrial.....	298
Membership and Income as Related to Population.....	290
The Ways and Means Plan.....	296
Value of Cafe Service.....	292
<b>Promotional Efforts and the Public Press</b> .....	257
Show Your Newspapers You Trust Them.....	257
When the Newspaper is Your Best Aid.....	259
<b>Rebuilding an Organization</b> .....	239
Democracy Established .....	240
Selfish Member .....	242
Service—Great and Small.....	244
<b>Records of Members, Payment of Dues</b> .....	350
System of Membership Accounts.....	352
What is to be Accomplished.....	351



	Page
Some Dangers of House Organs.....	269
Some of the Problems of Organization Finance.....	275
Budget System .....	276
Refund Surplus Pro Rata.....	277
Sources of Revenue Classified.....	276
Various Methods of Financing.....	277
Stimulating the Organization Machinery.....	317
A Genial Committee Spirit.....	320
Affability and Good Humor.....	322
Do Not Withhold Applause.....	319
Element of Enthusiasm.....	318
The Man from the Outside.....	321
Sustaining the Interest of Members.....	236
Fourth Essential to Sustained Interest.....	238
Where to Hold and How to Conduct Meetings.....	301
Sub-Committee Meetings .....	303
The Public Affairs Committee.....	302
The Question of Attendance.....	304
Where the Real Work Should Be Done.....	305

### Part III.

College Training for Secretaries.....	408
Attitude of Universities.....	415
Breadth of Knowledge.....	411
Kind of Education Required.....	411
Political and Social Life.....	410
Sociology and Coordinating Science.....	414
Specialized University Courses.....	416
Stimulating Commercial Life.....	409
Value of Political Economy.....	413
Conscious Training for Secretaries.....	427
Secretarial Training .....	428
The Basis for Development.....	429
How to Fail as a Secretary.....	435
Most Helpful Secretarial Literature. The.....	396
Educational Equipment—Reference Matter.....	401
Inspirational Factors Neglected.....	403
Knowledge .....	398
Literature Suggested .....	405
Necessity for Selecting.....	404
Reading as a Helpful Factor.....	397
The Flood of Printed Matter.....	400
The Vocational Studies.....	402
Vision and Enthusiasm.....	398
National Association Commercial Secretaries.....	450
Area and Vision.....	453
Defining Official Relationships.....	455
Historic Outline .....	451
Ideals and Standards.....	454
Status of the Secretary.....	456
Subserving the American Spirit.....	459
The Old and the New.....	457
What of the Morrow.....	458

	Page
Qualifications of the Secretary, The.....	389
A Semi-Public Character.....	392
A Summary of the Several Functions.....	394
Action and Achievement.....	391
In the Formative Stages.....	389
Secretary and Board.....	391
The Promotional Expert.....	393
The Secretary in the Making.....	390
Secretarial Efficiency and the College.....	430
A Course of Study.....	432
Drawing Men from Colleges.....	434
Rudiments of Retail Trade.....	431
University and the Secretary, The.....	417
Conclusion . . . . .	426
Intelligent Joint Effort.....	425
Present Opportunity . . . . .	419
Proofs of Business Solidarity.....	420
The Accounting Phase.....	421
The Administrative Phase.....	422
The Equipment Phase.....	421
The Marketing Phase.....	423
Undeveloped State of Local Economies.....	418







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